

## **The complaint**

Miss A complains that Santander UK Plc won't refund the money she lost when she was the victim of what she feels was a scam.

## **What happened**

In late 2023, Miss A was looking to get a new kitchen fitted and contacted a kitchen company she had seen advertised locally. She agreed a contract and a price with them, and then made a payment of £9,500 from her Santander account to pay for some of the work.

Unfortunately, while the work started, there were delays in completing it and the relationship between Miss A and the kitchen company ultimately broke down. So the fitting of the kitchen was never completed. Miss A then reported the payment she had made to Santander, and asked it to refund the money she had lost.

Santander didn't agree to refund the payment she had made, as it said this appeared to be a private dispute between her and the kitchen company. It also said the bank the payment was sent to hadn't found evidence of fraudulent activity, and so it wasn't able to recover any of the money. Miss A wasn't satisfied with Santander's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think the available evidence was enough to say what had happened met the definition of a scam. So they didn't think Santander should have to refund the payment Miss A had made. Miss A disagreed with our investigator, so the complaint has been passed to me.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. However, where the customer made the payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payment.

Santander was a signatory of the Lending Standards Boards Contingent Reimbursement Model (the CRM code). This required banks to reimburse customers who had been the victims of certain types of scams, in all but a limited number of circumstances. But customers were only covered by the code where they have been the victim of a scam – as defined in the code.

The relevant definition of a scam from the CRM code is that the customer transferred funds to another person for what they believed were legitimate purposes but were in fact fraudulent.

The CRM code also says it doesn't apply to private civil disputes, such as where a customer has paid a legitimate supplier for goods or services but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier.

So in order to determine whether Miss A has been the victim of a scam as defined in the CRM code I need to consider whether the purpose she intended for the payment was legitimate, whether the purposes she and the kitchen company intended were broadly aligned and then, if they weren't, whether this was the result of dishonest deception on the part of the company.

I'm satisfied Miss A made the payment here with the intention of paying for a kitchen to be fitted. And I haven't seen anything to suggest she didn't think this was legitimate.

But I'm not satisfied the evidence I've seen shows that the kitchen company intended a different purpose for the payment, or that Miss A's and the kitchen company's purposes for the payment weren't broadly aligned.

I've thought very carefully about this, and I think it's a finely balanced matter in this case. But where the evidence available is unclear or inconclusive, I must make my decision on what I think is likely to have happened, based on the evidence I do have.

Miss A says she first found out about the kitchen company from a number of advertising banners it had in her local area and a showroom it had close to her home. And from what I've seen, it appears the kitchen company also had another showroom as well. But I wouldn't expect a company that intended to operate a scam to maintain a physical location, particularly one that would require the kind of upfront expense and effort to put together of a showroom.

The kitchen company had also been registered on the government's register of limited companies and filed accounts for a number of years before the payment Miss A made here, which I wouldn't necessarily expect of a company operating a scam.

The company started the agreed work and, from what Miss A has said and the pictures of the work I've seen, it appears a significant amount of work was done. Kitchen units were clearly ordered, delivered and at least partially fitted, and Miss A has said between 30 and 40% of the necessary materials were delivered to the property. But I'd usually expect a scammer to do as little work as possible in order to get the maximum possible profit in the shortest period of time. So more work appears to have been done than I'd expect from someone who never intended to complete the work, which I think suggests the kitchen company did intend to complete the work here.

Miss A has said some of the materials and appliances delivered didn't match what had been ordered, and the work wasn't completed within a reasonable period of time. But tradespeople can fail to complete work or make mistakes in orders for a variety of reasons, which don't necessarily mean they were operating a scam. So I don't think this evidence, in of itself, is sufficient to show that the kitchen company intended to operate a scam.

I appreciate Miss A has also raised a number of issues about the behaviour of the kitchen company. And I recognise this suggests the company wasn't acting as I would expect a professional company to do. But acting unprofessionally does not mean the company intended to operate a scam. And I don't think any of the issues Miss A has raised mean the kitchen didn't intend to carry out or complete the work here.

Miss A also said a number of other people have similar complaints about the kitchen company. But we must look at each case individually, on its own merits. So I don't think these other complaints necessarily mean Miss A has been the victim of a scam here.

And while Miss A has said the kitchen company is being investigated by the police, I haven't been provided with evidence of any investigation by an external organisation which concludes that the kitchen company was operating a scam in relation to the payment she made.

So based on the evidence I've seen, I think it's more likely the company here intended to complete the agreed work, but that other factors ultimately meant the work wasn't completed. While Miss A has highlighted a number of issues with the actions of the kitchen company, I don't think I can safely say the circumstances here meet the high legal threshold and burden of proof for fraud or the specific definition of a scam I must apply here.

I don't think the evidence I've seen suggests the kitchen company deceived Miss A about the purpose of the payment. I think both Miss A and the kitchen company's intentions for the payment were the same – to carry out the agreed work. So I don't think the circumstances here meet the definition of a scam from the CRM code.

And so I don't think the payment Miss A made to the kitchen company is covered under the CRM code, or that Santander should be required to refund the money she lost.

I sympathise with the position Miss A has found herself in. I appreciate that the property was left in an incomplete state, and that she may have to pay another company to complete the work. I'm also in no way saying she did anything wrong or that she doesn't have a legitimate grievance against the kitchen company. But I can only look at Santander's responsibilities here and, for the reasons I've explained above, I don't think it would be fair to hold Santander responsible for the money she lost.

It's possible that material new evidence may become available at a future date, which suggests that the kitchen company did take the payment using dishonest deception. If that happens, Miss A can ask Santander to reconsider her claim for this payment and, if not satisfied with its response, bring a new complaint to our service.

### **My final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 21 November 2025.

Alan Millward  
**Ombudsman**