

The complaint

Mr D has complained that Santander UK Plc won't refund the money he lost after falling victim to a scam.

What happened

In summer 2024, Mr D was cold-contacted by a scammer posing as a recruiter. They offered him a fully remote job doing simple tasks for a six-figure salary plus commission, needing no qualifications or technical expertise. But in order to complete certain tasks, he had to pay his own money onto the scammers' platform via cryptocurrency.

Mr D sent over £9,000 from his Santander account to his own crypto account across three card payments. Then he sent crypto on to the scammers from there. He was asked for continually higher amounts and realised he'd been scammed.

Mr D reported the scam to Santander. Santander was unable to cancel or reverse the payments. It explained it sympathised, but didn't think it was liable for the loss.

Our Investigator looked into things independently and upheld the complaint in part. Santander asked for an ombudsman's review, so the complaint's 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.

There's no dispute that Mr D authorised the payments involved, even if he didn't intend for the money end up with scammers. So under the Payment Services Regulations and the terms of his account, Mr D is liable for the loss in the first instance. But the matter doesn't end there.

Taking into account the law, regulator's rules and guidance, relevant codes of practice, the duty to avoid foreseeable harm, and what I consider to have been good industry practice at the time, I consider that Santander should have fairly and reasonably:

- Monitored accounts and payments to counter risks such as fraud and scams;
- Had systems in place to look out for particularly unusual transactions or other signs its customers were at risk of fraud;
- In some circumstances, taken further steps or made further checks before a payment went out, or even blocked it, to help protect customers – irrespective of the type of payment involved.

I find that Santander should have been concerned at the point of the second payment. At that point, Mr D had tried to pay a substantial amount to a cryptocurrency platform in a very short time. While I acknowledge that the payments were going to an account in Mr D's own name at a legitimate exchange, by this point the Financial Conduct Authority (FCA) and Action Fraud had published warnings about cryptocurrency scams, there was wide media coverage, and other leading firms had restricted such payments. So Santander should've had a good understanding of the risk of crypto scams and how they work. Indeed, I can see that Santander was aware of the heightened risk as it stopped further payments to check Mr D's account hadn't been taken over. And while Mr D had spent a few similar amounts in the preceding year, this was not regular or typical activity for this account, not least given the use of cryptocurrency.

I think the second payment should've prompted Santander to ask Mr D a series of questions about his reasons for payment, and to provide better automated warnings tailored to his answers. Mr D wasn't coached to give a cover story, he was honest with Santander when he spoke to it later, and I've found no good reason to think he'd have lied. So I think it's most likely he would've given appropriate answers. Santander pointed out that the previous year, they warned Mr D about an unrelated payment, but he went ahead with it anyway. But that payment went to a legitimate company and I can't see that it was related to any scam, so that's not relevant – I wouldn't expect scam warnings to dissuade Mr D from making his legitimate, non-scam payments. Here, Mr D was already suspicious of the scammers, Santander is a well-known name in banking who Mr D would've likely listened to, and an effective tailored warning should've highlighted the key details of relevant scams and resonated with Mr D. So it seems more likely than not that an appropriate tailored warning would've prevented the loss from the point of the second payment on.

Santander argued that it should not be held liable, because the payments went to an account in Mr D's name. But Santander should have fairly and reasonably been on the lookout for potentially fraudulent payments, even if the payments were going to another account in the customer's name. There were prominent scams which involved paying an account in one's own name. And identifying and preventing such scam payments would still have had the effect of preventing a loss to its customer and avoiding foreseeable harm. So Santander could still be held liable for a loss which resulted from its failure to intervene – which is what I've found to have most likely been the case here. We can't compel Mr D to complain about his crypto exchange, he's confirmed he didn't receive any refund from them, and his case against Santander is an appropriate one that we can consider.

So I think that Santander bears some liability for the loss from the second payment on.

I've also thought carefully about Mr D's role in what happened. I understand that the scammers manipulated him, that they initially posed as a genuine recruiter, and that they had a professional-looking platform. But I'm afraid I think Mr D ought to have had more concerns along the way about what he was being told and asked to do. For example, he was contacted out of the blue with a job offer that was far too good to be true, he wasn't given any interview or contract or any documents to back this up, he had to pay his own money in to work, he had to use cryptocurrency, and so on. So I don't think I can fairly hold Santander solely liable for Mr D's loss from the second payment onwards. I think Mr D should also share liability for that loss.

Next, I've considered what Santander did to try to recover Mr D's money after he told it about the scam. Unfortunately, as the payments had already gone through to his crypto account and then been sent on, it wasn't possible for Santander to cancel or reverse them. As they were card payments to his own crypto account, they were not covered by the CRM Code for scams. And there was no chargeback reason which would've been appropriate here. A chargeback would've been a claim against Mr D's own exchange rather than the scammers. And the exchange provided the service they were supposed to. There was no realistic prospect of success for a chargeback, and chargebacks are voluntary, so Santander didn't need to pursue one in this case. And there was nothing more that Santander could've reasonably done to get the payments back.

Finally, I understand Mr D made a few much smaller scam payments from his other bank, which that bank chose to refund in full. That was that other bank's choice – without having investigated that case I can't say whether I'd have required them to give a full refund of those other payments or not. But for the reasons I've explained above, I find that in this particular case Santander should share liability for the loss from the second payment on.

Putting things right

Santander UK Plc should:

- Refund 50% of the loss from the second payment onwards; and-
- Add simple interest at the rate of 8% simple per year onto the refund, payable from the date each partially-refunded payment debited until the date of the refund.

If Santander considers that it's required by HM Revenue & Customs (HMRC) to deduct tax from that simple interest, it should tell Mr D how much tax it's taken off. It should also give Mr D a tax deduction certificate if he asks for one. Mr D may be able to reclaim the tax from HMRC if he doesn't normally pay tax.

My final decision

For the reasons I've explained, I uphold Mr D's complaint in part, and direct Santander UK Plc to put things right by doing what I've said above.

If Mr D accepts the final decision, Santander UK Plc must pay him within 28 days of the date our service notifies it of the acceptance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 8 September 2025.

Adam Charles
Ombudsman