

The complaint

Ms T has complained Santander UK plc won't refund £22,706 she lost as the result of a cryptocurrency scam.

What happened

After seeing an advert on social media promoting cryptocurrency investments, Ms T filled in an online form and was contacted by someone representing the supposed investment company. Ms T believed this individual was very knowledgeable. She also provided her ID and went through what she believed were genuine know your customer checks.

Ms T was set up with a trading account in her name and made investments funding this from transfers from her Santander account.

Ms T was told she'd need to make further payments to enable anti-money laundering blocks to be removed and then was told further payments would be required to release her funds.

Ms T believed she'd been scammed but didn't ask Santander to refund her until about a year later.

Santander wouldn't refund the money Ms T had sent from her account as these payments went to another account in her own name. Ms T's representatives brought her complaint to the ombudsman service.

Our investigator noted that Ms T had confirmed to Santander she was making these transfers to another of her own accounts, so this would have lessened the chances of Santander intervening in any scam. Ms T had not confirmed to Santander that these payments were destined for a supposed investment account. He also noted that Ms T's individual payments didn't exceed £2,000 each and were spread out over a period of four months.

He wasn't going to ask Santander to do anything further. Still unhappy, Ms T has asked an ombudsman to consider her complaint.

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.

Having done so, I've reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

I don't dispute Ms T was scammed. She didn't consider herself an experienced investor but was struck by the possibility of making serious profits on cryptocurrency. She has now lost more than £20,000 which she funded by taking out personal loans and using her savings.

She has my sympathy about what she has gone through.

There's no dispute that Ms T made and authorised the payments which were made between 25 July and 29 November 2023. Therefore, I'm satisfied the transactions were authorised under the Payment Services Regulations 2017

It's generally accepted that Santander has an obligation to follow Ms T's instructions. So in the first instance Ms T is presumed liable for her loss. But that's not the end of the story.

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

- have been monitoring accounts and payments made or received to counter various risks, including fraud and scams, money laundering, and the financing of terrorism.
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (amongst other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which financial institutions are generally more familiar with than the average customer.
- in some circumstances, irrespective of the payment channel used, have taken additional steps or made additional checks before processing a payment, or in some cases declined to make a payment altogether, to help protect its customers from the possibility of financial harm.

At no stage did Santander intervene but to authorise each payment Ms T was asked why she was making the payment. Out of a choice of 10 different options – which included transferring an investment – Ms T selected transferring money to her own account.

This top layer of reasons why someone is making a payment breaks down into a series of further detailed warnings what he was doing. As Ms T had confirmed she was making transfers to another account in her name, Santander wouldn't have provided specific warnings related to Ms T's situation as they would have believed the money would have remained in Ms T's control.

I'm not convinced from reviewing the payments Ms T was making that Santander would have noticed that anything else was going on. I say this because:

- The payments in July and August were funded by transfers Ms T made from another of her accounts. These would very much have resembled someone making transfers from one account to another – potentially in search of a higher savings rate. At this time, I wouldn't have expected Santander to flag any payment Ms T made to a genuine account.
- A total of 14 payments were made over four months. This wouldn't have therefore resembled frenzied and urgent payments as we can often see when scammers are persuading people to make payments to not miss out on investment opportunities. Whilst there were six payments made between 25 to 30 September these all remained at around the same payment amount. So, I'm not convinced this would have looked like Ms T making scam payments.
- As payments between accounts in a customer's own name do not fall under the Contingent Reimbursement Model code, banks are potentially less likely to view this

payment behaviour as someone being scammed.

- No payment exceeded £2,000. I think it's unlikely Santander would have detected any potential risk to Ms T.

Overall based on the evidence, I'm not convinced I'd have expected Santander to intervene or that they should now refund Ms T.

As Santander weren't notified of a potential scam for a good six months afterwards, this limited the chance of them being able to successfully recoup any funds so I'm not surprised that no funds were able to be recouped.

My final decision

For the reasons given, my final decision is not to uphold Ms T's complaint against Santander Uk plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 3 September 2025.

Sandra Quinn
Ombudsman