

The complaint

Miss C complains that Santander UK Plc ('Santander') won't refund the money she lost as the result of a scam.

What happened

In 2024, Miss C found a motorbike for sale on a social media marketplace. Miss C says she asked numerous questions and was shown pictures and videos of the bike.

On 8 May 2024, Miss C made payment to the seller for £1,000 – being the total agreed price. The seller said the bike would be delivered within 3-4 days.

Miss C never received the bike and raised a fraud claim with Santander. Santander considered Miss C's claim under the Contingent Reimbursement Model Code ('CRM Code') but declined to refund her. Santander said Miss C didn't do enough checks before making the payment.

Miss C wasn't happy with Santander's response, so she brought a complaint to our service. An investigator looked into Miss C's complaint but didn't uphold it. The investigator was satisfied that Santander could rely on an exception to reimbursement under the CRM Code, as Miss C didn't do checks on the seller or the legitimacy of the advert.

Miss C disagreed with the investigator's view and asked for an ombudsman to review her case.

Miss C says that family and friends had purchased items from the same marketplace, including vehicles, with no problems. While the bike was "less expensive", there were other similar bikes for sale for lower prices. Also, this was her first time buying a vehicle and she believed if she had the seller's bank details it would be fine.

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 it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account. It's not in dispute that Miss C authorised this payment, although she did so not realising she was the victim of a scam.

Is Miss C entitled to a refund under the CRM Code?

Santander are a signatory to the CRM Code which requires firms to reimburse customers who have been the victims of APP scams like this, in all but a limited number of circumstances.

Under the CRM Code, a bank may choose not to reimburse a customer if it can establish that an exception applies. In this case Santander say Miss C made the payment without having a reasonable basis for believing that: the payee was the person the customer was expecting to pay; the payment was for genuine goods or services; and/or the person or business with whom they transacted was legitimate.

Having carefully considered everything that Miss C has told us, I'm satisfied that Santander can rely on this exception to reimbursement. I say this because I'm not persuaded that Miss C had a reasonable basis for believing the seller was legitimate or the advert was genuine – for the following reasons:

- The purchase price of the bike was half the recommended retail price (£2,200) and significantly lower than the trade price (£1,762). Miss C says there were other similar bikes listed for a lower price, but these could also have been a scam. Also, the seller agreed to include the delivery cost in the agreed price of £1,000. Miss C should've been concerned as to why the price was so low, when the bike was reported to be in good condition.
- While Miss C asked a number of questions and saw photos and videos of the bike, she didn't do any independent checks to ensure the seller owned the bike. She didn't check the MOT, tax or HPI. She says that she saw the V5 document, but she doesn't have evidence of this. The lack of paperwork and proof of ownership should've concerned Miss C, especially when she hadn't been to see the bike in person.
- When Miss C made the payment, she was shown an onscreen warning by Santander. This said:

"You risk losing your money if you decide to pay before you receive the item. You should try to avoid paying by bank transfer when buying online. Check out the different payment options available that could offer you greater protection. A debit or credit card could be a more appropriate payment method."

I can't see that Miss C did any checks as a result of seeing this warning.

I appreciate that Miss C hadn't purchased a vehicle before, but there were enough warning signs (as set out above) that she should've been concerned about the legitimacy of the seller and the advert. On that basis, I'm satisfied that Santander can rely on the exception to reimbursement under the CRM Code.

Have Santander met the requirements set out for them under the CRM Code?

In this case, Miss C was making a single payment of £1,000. I understand that this represents a lot of money for Miss C, but a balance has to be struck between Santander identifying payments which could be fraudulent – and then responding appropriately to their concerns – and ensuring minimal disruption to legitimate payments.

Based on the size of the payment and the information available to Santander, I'm not persuaded that Santander should've identified an APP scam risk or that they were required to give an effective warning under the CRM Code. This means Santander has met the standards set for them and I can't fairly ask them to reimburse Miss C.

Santander tried to recover Miss C's funds from the beneficiary account, but the funds had been removed by the time the fraud claim was raised.

I'm really sorry that Miss C has been the victim of a cruel scam. But I'm not satisfied I can fairly hold Santander liable for her loss.

My final decision

My final decision is that I don't uphold this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 11 November 2025.

Lisa Lowe
Ombudsman