

The complaint

Mr I complains that Santander UK Plc ('Santander') won't refund the money he lost as the result of a scam.

What happened

Mr I saw an investment advertised online for a company I'll refer to as P. The investment involved cryptocurrency. Mr I says he was promised a return of 100% in 6 months if he allowed his investment to grow and introduced other people to the investment as part of his "downline".

Mr I made payments between September 2020 and December 2021. The payments totalled over £230,000. All of the payments were made to cryptocurrency exchanges, to purchase cryptocurrency which was paid into wallets in Mr I's name. Mr I says these funds were moved to wallets/accounts controlled by P.

Mr I became aware it was a scam when P's website shut down and he couldn't access his trading account. Mr I raised a fraud claim with Santander in 2024.

Santander says the payments Mr I made aren't covered by the Contingent Reimbursement Model Code (CRM Code) as they were paid to an account in Mr I's name. And, as the loss didn't occur on Mr I's Santander account, they aren't liable for his loss.

Mr I wasn't happy with Santander's response, so he brought a complaint to our service.

An investigator looked into Mr I's complaint but didn't recommend that Santander refund him. The investigator said:

- There isn't sufficient evidence that the payments Mr I made, were made as the result of a scam.
- Even if the investigator was satisfied the payments were made as part of a scam, Mr I hasn't evidenced that he has suffered a financial loss. The investigator highlighted all the credits paid into Mr I's account prior to the payments being made out and explained we need evidence of the source of those funds.
- It appears that Mr I enlisted other investors on P's behalf.
- Mr I hasn't provided statements for his cryptocurrency accounts, so it's possible that there are funds held in those accounts which should be offset against Mr I's loss. Also, Mr I received some credits from his cryptocurrency wallets which he didn't disclose and it's possible that there are more credits which haven't been taken into account when considering his financial loss.

Mr I disagreed with the investigator's opinion and raised the following points:

- Mr I borrowed money from his wife, and used funds from bounce back loans obtained by his company and his wife's company.

- Mr I had saved up cash at home, which accounts for the cash deposits into his account.
- Mr I moved money from his company (which I'll refer to as C) to cover some of the payments.
- Mr I also collected money from friends to invest.

As the case couldn't be resolved informally it was passed to me to review.

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 deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider is more likely than not to have happened in light of the available evidence.

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.

Here it's not in dispute that the payments were authorised, albeit Mr I may've done so not realising that his investment would fail – but that doesn't make the payments unauthorised. So, the starting position is that Santander isn't liable for the transactions.

Santander are a signatory to the CRM Code, but it doesn't cover payments between a consumer's own accounts. As all of the payments were made to purchase cryptocurrency which was paid directly into Mr I's wallets before being moved on, his payments aren't covered.

Is there sufficient evidence that Mr I was the victim of a scam?

Mr I has provided us with some emails which refer to seminars with P, or talk about Mr I's investment with P.

However, in Mr I's testimony he said "I invested in cryptocurrency and made payments to cryptocurrency platforms and lost heavily when the cryptocurrency suddenly lost its value. In addition to this I sent large sums of cryptocurrency to P".

Based on this, it appears that some of Mr I's loss may've been due to decreases in the value of cryptocurrency, which wouldn't be considered a scam. Santander aren't liable to reimburse a customer where they've made a poor investment choice, or their investment hasn't provided the returns they expected.

As Mr I hasn't provided us with the statements from his cryptocurrency accounts, which the investigator asked for on more than one occasion, I can't confirm what payments and how much of the money paid into his cryptocurrency wallets was forwarded on to P.

Also, Mr I has only provided us with messages between him and the scammer from March 2021, which is halfway through the payments Mr I made. There are no messages to say what Mr I was told prior to investing. But, based on the information Mr I has provided it does appear likely that he may've been the victim of a scam.

However, that doesn't necessarily mean that he is entitled to a refund. I'll explain why.

Has Mr I shown that he's suffered a financial loss as a result of the payments he made?

I'm not satisfied that Mr I has proven he suffered a financial loss as a result of the payments he made. That means, even if I was satisfied that Santander should've intervened or could've prevented the payments, I'm not satisfied that Mr I would be entitled to any refund I could recommend. I say this because:

- Mr I says that some of the funds he received to make the payments came from bounce back loans. Bounce back loans were provided under a scheme set up by the government which had certain requirements. Under the scheme, bounce back loans weren't allowed for personal reasons – like a personal investment. So, Mr I wouldn't be entitled to a refund in relation to those funds even if he could prove the origin of the funds.
- Mr I says he collected money from other people in order to invest on their behalf. But he hasn't provided evidence of exactly how much that was. However, I can see credits into his Santander account for over £130,000 which have third party names as the reference. Mr I wouldn't be entitled to a refund for those payments as he hasn't suffered the financial loss, the third party has.
- I can also see that Mr I received over £14,000 in credits which reference cryptocurrency platforms. All of these credits happened while Mr I was making payments out of his account, which form part of this complaint. So, I'm not satisfied that these were funds he recovered. As Mr I hasn't provided statements from his cryptocurrency accounts, I can't confirm what other credits he may've received that should be offset against the payments he made. It's also possible that Mr I still holds funds in those cryptocurrency accounts, which would reduce his outstanding loss.
- A large portion of the payments are funded by transfers from an account Mr I held with another bank. Having reviewed the statements for that bank, most of those payments were funded by cash deposits. I appreciate that Mr I says he was saving cash at home for a house purchase, but he has also told us he received cash from third parties to invest on their behalf. Mr I hasn't evidenced what portion of this money is his, and what may've come from other people.

I'm really sorry to disappoint Mr I, but having considered the evidence, I'm not satisfied that he has proven that he has suffered a financial loss, or how much that financial loss is. So, I can't fairly make an award against Santander or ask them to refund him.

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 Mr I to accept or reject my decision before 6 August 2025.

Lisa Lowe
Ombudsman