

The complaint

Miss O complains that Santander UK Plc (“Santander”) won’t refund payments she made as part of a scam.

What happened

The background to this complaint is well known to both parties, so I won’t repeat it in detail here. But in summary, I understand it to be as follows.

In 2024, Miss O was looking to have building work carried out on her home. Having been referred by a family friend, Miss O contacted a builder to discuss the work to be carried out. Having agreed the work and costs, Miss O decided to use the services of the builder. The builder will be further referred to as “S”.

As agreed between the two parties, Miss O made payments totalling £11,000 to S in May 2024.

Miss O raised issues with the quality of work with S, who promised to return to her property in October 2024 and again in November 2024. Despite these promises, S never returned to Miss O’s property to rectify and complete the agreed work. Since then, S ceased communicating with Miss O.

Concerned that she’d been the victim of a scam, Miss O contacted Santander to request a refund of at least £6,000 she’d paid to S.

Santander investigated the matter but declined to reimburse Miss O on the basis that this was a civil dispute between her and S. Unhappy with this response, Miss O referred his complaint to our service.

An investigator looked into Miss O’s complaint but didn’t uphold it as they didn’t feel that the payments met the definition of an authorised push payment (APP) scam under the Contingent Reimbursement Model (CRM) Code.

Miss O disagreed with the investigator’s findings. In summary, she felt that she was misled and deceived by S and that her payments meet the definition of an APP scam as defined by the CRM Code. She also requested Santander carry out a chargeback in order to recover her funds.

As the complaint couldn’t be resolved by the investigator it was passed to me for a decision.

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.

Firstly, I’d like to say how sorry I am to see the impact this situation has had on Miss O and I understand how difficult this ordeal must have been for her.

In keeping with our role as an informal dispute resolution service, I will focus here on the points I find to be material to the outcome of Miss O's complaint. This is not meant to be a courtesy to Miss O and I want to assure her I have considered everything she has submitted carefully.

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 most likely to have happened in light of the available evidence.

In broad terms, the starting position at law is that a bank such as Santander 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.

Santander are a signatory of the Lending Standards Board's CRM Code which requires firms to reimburse customers who have been the victims of APP scams in all but a limited number of circumstances.

But, the CRM Code does not apply to private civil disputes, for example where a customer has paid a legitimate supplier for goods, services or digital content but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier.

The relevant part of the CRM Code definition of an APP scam requires that the payment was made to: '*another person for what they believed were legitimate purposes but which were in fact fraudulent.*'

The Code also explains that it does not apply to '*private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier.*'

In order to reach my outcome on this complaint, I've considered the purpose for which Miss O made, and S received, the payments. And, if there is a significant difference in these purposes, whether I can be satisfied that this difference was as a result of dishonest deception.

It's clear that Miss O made the payments in order for building work to be carried out on her property. So, I've gone on to consider what purpose S had in mind and whether that was in line with the purpose Miss O made the payments.

Much of Miss O's submissions relate to the standard of work that has been carried out at her property by S and the work that is required to rectify the issues caused. But, the amount of work that has been carried out and the period of time this occurred over makes it difficult to assert S had no intention of completing the work at the time of the payments.

I accept that the evidence shows that the work was not completed to a satisfactory standard, but, as stated above, the CRM Code does not apply to disputes regarding the standard of work and whether they are defective in some way.

So, while the company Miss O has employed to complete and rectify the work already carried out on her property have confirmed '*there was no evidence of any competent work having been completed at your property*', this doesn't demonstrate that S had no intention of completing the agreed work at the time they received payment.

I can also see that some of the work appears to be outstanding. But, again, this isn't enough to show S didn't have the intention of carrying it out at the time of the payments.

Ultimately, it appears as though Miss O made payments for work to be completed on her property and the evidence supplied to our service doesn't sufficiently demonstrate that S didn't have the intention on carry out those works at the time the payments were made.

In response to the investigator's findings, Miss O requested that Santander carry out a chargeback on the payments made to the builder. A chargeback is a process in which disputes can be resolved between card issuers and merchants, dependant on the scheme under which the payment was made. Unfortunately for Miss O, as the payments in dispute weren't made using her credit or debit card, this avenue of recovery would not be open to her in this instance as it does not apply to faster payments.

Lastly, I've considered whether Santander could've done any more at the time of the payments in order to prevent Miss O's loss. Though the payments may be considered to have been unusual and suspicious in comparison to the typical operation of Miss O's account, I don't believe that any intervention from Santander at the time of the payments would've prevented them being made. I say this as have I don't think the answers Miss O would've given to any questions asked by Santander would've suggested that she might be at risk of financial harm and resulted in the payments being prevented.

This decision will no doubt come as a great disappointment to Miss O and I've every sympathy for her as it's clear that this situation has had a large impact on her. But, for the reasons stated above, I don't believe that the payments she made to S meet the definition of an APP scam under the CRM Code. I'm therefore unable to say that Santander has acted incorrectly in declining Miss O's complaint or that they should reimburse her losses.

Should any material new evidence come to light at a later date that would suggest that Miss O was the victim of a scam, such as from the police or Trading Standards, then I would suggest she contacts Santander to make them aware of this new evidence.

My final decision

My final decision is that I do not uphold this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 30 December 2025.

Billy Wyatt
Ombudsman