

The complaint

Mr R complains that Santander UK Plc (Santander) won't refund the money he lost when he fell victim to a scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr R explains that he is socially isolated and has mental health difficulties which affect his memory of events.

In May 2024, Mr R set up an account with a firm I'll call "P" (a regulated online payment system), and he gave P his Santander debit card details so they could initiate transactions upon his approval.

Mr R appears to have befriended X, a person he met on a social media and social networking service. After seeing and / or checking her passport, he lent her £2,412.94 so she could leave her war torn country. This amount was paid between 28 June 2024 and 20 July 2024 through the following payments to X and other people's wallets at P:

Payment No.	Date	Payee	Amount
1	28 June 2024	Debit card payment to P / Person X	£100.00
2	30 June 2024	Debit card payment to P / Person V	£90.00
3	30 June 2024	Debit card payment to P / Person X	£60.00
4	10 July 2024	Debit card payment P / Person W	£100.00
5	14 July 2024	Debit card payment to P / Person W	£50.00
6	15 July 2024	Debit card payment to P / Person Y	£544.08
11	17 July 2024	Debit card payment to P / Person W	£100.00
12	18 July 2024	Debit card payment to P / Person W	£803.54
13	20 July 2024	Debit card payment to P / Person Z	£282.66
14	20 July 2024	Debit card payment to P / Person Z	£282.66
Total			£2,412.94

This total could've been higher had Santander not blocked a payment for £887.46 on 16 July 2024.

Mr R thought he would get his money back when X reached and / or started work in another country. It's unclear whether Mr R had any further communication with X.

As Mr R believed he had been scammed he contacted Santander to report it and obtain a refund. But Santander rejected Mr R's claim as they were card payments.

Mr R brought a complaint to our service. After considering Mr R's complaint our investigator said she wouldn't have expected Santander to intervene on any of the payments as they weren't of a significant enough value.

As Mr R remains dissatisfied his complaint has been referred to me look at.

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.

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Having done so, although I'm very sorry to hear that Mr R hasn't got his money back, I'm not upholding his complaint. And I'll explain why.

My role is to independently evaluate the evidence provided by both parties. So, where evidence is incomplete, inconsistent or contradictory, as some of it is here, I must reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

My key finding in this case is that there is insufficient evidence to support Mr R's claim that he has fallen victim to a scam.

Although Mr R is reluctant to provide evidence of his vulnerability, from listening to call recordings (including other cases with our service) I'm persuaded he has mental health and memory difficulties and is vulnerable.

Whilst I appreciate bringing this complaint must be very difficult for him, despite requests and giving additional time, Mr R hasn't been able to provide our service with any evidence to add to his limited recollection of events about loaning funds to X.

So, whilst there are signs (payments to other people) that he may have been scammed, without seeing any of his communications with X, I can't be sure about what has occurred here or be satisfied it is a scam.

Although I don't think there is sufficient evidence to establish that Mr R *has* been the victim of a scam, for completeness, I've considered the following.

Did Mr R authorise the fourteen payments totalling £2,412.94

Although Mr R initially couldn't recall authorising the transactions, when he was reminded that he'd told Santander he'd been scammed, he said it was more likely than not that he had authorised the above transactions. The payments were initiated from Mr R's account at P, and I've not seen any evidence that account was compromised at the time these were made. From listening to the call, he had with Santander and viewing his correspondence, I'm satisfied he authorised all the card payments. Mr R also appears to have accepted that's the case.

CRM Code

Although Santander is a signatory of the Lending Standards Board's Contingent Reimbursement Model ("CRM") Code which requires firms to reimburse customers who have been the victim of a scam in some circumstances, as stated by our investigator, this code doesn't apply to card payments. And Mr R made the payments to P using his Santander debit card.

Payment Services Regulations 2017 (PSR)

Under the Payment Services Regulations 2017 (PSR) and in accordance with general banking terms and conditions, banks should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. Mr R no longer disputes that he made the payments, so they are considered authorised.

However, in accordance with the law, regulations and good industry practice, a bank should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

Firms do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions.

I consider Santander should fairly and reasonably:

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

Consumer Duty

From 31 July 2023 Santander had to comply with the Financial Conduct Authority's "Consumer Duty" which required financial services firms to act to deliver good outcomes for their customers.

Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, Santander was required to act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud.

Santander was also required to look out for signs of vulnerability. However, until Mr R contacted Santander to report a scam, I can't see that they were made aware or would've become aware of Mr R's mental health and memory difficulties.

With all the above in mind, I considered whether Santander should've recognised that Mr R was at risk of financial harm from fraud and put in place an intervention.

For the following reasons, I'm not persuaded that they should've:

- Mr R had previously set up an account with P and processed a transaction with them, so it wasn't the first time he used their services.
- Although the transactions were above average spend for Mr R, none of them were concerningly high.
- There were no obvious scam patterns for Santander to be suspicious about, such as a high velocity of same day transactions of increasing amounts.
- The blocked transaction was to confirm Mr R was the authoriser and I think that was

a proportionate response in the circumstances. I think it was reasonable of Santander not to contact him as he had requested no contact, and they had given him advice on the implications of opting out. I also don't think Santander was reasonably on notice he could be falling victim to a scam, so I don't consider further questioning was required. It isn't possible to know what triggered the block; however, I noted the transaction was processed in the early hours and this may have been the reason.

- I appreciate Santander blocked one of the payments but not others of similar amounts. But I've concluded it didn't need to on any of these payments, and I wouldn't penalise Santander for choosing to check payments under the threshold for when we'd say they definitely should have spotted a customer was at risk.
- Even if I thought Santander ought to have been on notice about Mr R's vulnerabilities, I don't think that would have meant any of the disputed transactions should have prompted fraud checks. That's because I don't think there were sufficient indications he was at risk.

So, having considered the above, even if a scam could be evidenced, I wouldn't have expected Santander to have intervened further to carry out fraud checks.

Recovery

I considered whether Santander attempted to recover Mr R's funds when he contacted them to report a scam had taken place. As mentioned by our investigator, the chargeback process is relevant for card payments and there is a scheme and timeframe to make a claim. But by the time Mr R contacted Santander this timeframe had been exceeded. So, I don't think the bank acted unfairly by not processing chargeback claims or could have done more to recover these payments.

Summary

I'm very sorry Mr R has lost money here and I realise the outcome of this complaint will come as a great disappointment to him. But, for the reasons I've explained above, my decision is to not uphold this complaint against Santander.

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 Mr R to accept or reject my decision before 17 July 2025.

Paul Douglas
Ombudsman