

The complaint

Mr M complains about Santander UK Plc.

He says that Santander failed to protect him when he fell victim to a scam and would like Santander to refund him the money he has lost.

What happened

Mr M came across an advertisement for investment being promoted by a fashion blogger and decided to invest – I will refer to the investment as ‘H’.

Unfortunately, Mr M had fallen victim to a scam, and as a result, lost some of his money. Initially, the investment seemed to be going well, and Mr M saw some returns. However, things began to go wrong – Mr M was no longer able to make withdrawals and the platform he was using went off-line.

I have set out the payments Mr M made as part of the scam below. The payments were made to two different genuine cryptocurrency exchanges before being moved on to the scammer.

Payment	Date	Payee	Amount
1	12/11/2021	SW	£100
2	12/11/2021	SW	£100
3	22/11/2021	SW	£200
4	24/11/2021	SW	£300
5	28/11/2021	SW	£10,000
6	3/12/2021	SW	£5,000
7	13/12/2021	SW	£2,824
8	10/05/2022	SK	£10,001
9	21/05/2022	SK	£8,051
		Total	£36,576

Mr M also received some returns from the scam – totalling £7,915.71.

A complaint was made to Santander about what happened via a third-party, but Santander didn't uphold the complaint, so it was referred to this Service.

Our Investigator looked into things and thought that Mr M's complaint should be upheld in part. Mr M accepted this, but Santander did not. So, the complaint has been passed to me.

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 decided to uphold this complaint in part, for broadly the same reasons as our Investigator.

I understand that Santander initially had some concerns about the returns that Mr M received from the investment – they have suggested that this is a genuine investment that hasn't worked out as planned. However, it is known that H enticed consumers to invest further funds with the use of other customers' money – effectively running a Ponzi scheme.

So I am satisfied that Mr M has been the victim of a scam and has lost money as a result. However, even when it is clear that a scam has taken place, and an individual has been tricked out of their money, it doesn't necessarily follow that a business will need to refund the money that has been lost.

In broad terms, the starting position at law is that banks and other payment service providers such as Santander are 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.

But, taking into account relevant law, regulators' rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider it fair and reasonable in November 2021 that Santander should:

- Have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- 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 (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms 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, or provided additional warnings, before processing a payment;
- Have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In this case, I need to decide whether Santander acted fairly and reasonably in its dealings with Mr M when he authorised payments from his account or whether it could and should have done more before processing them.

Looking at the payments Mr M made, I don't think that Santander should have had concerns for the first four payments – they weren't large, or otherwise suspicious, and businesses can't be expected to intervene in every transaction.

However, by payment five, I think that Santander should have stepped in and spoken with Mr M about what he was doing. The payment was very large – and going to a known crypto exchange, which Santander would be aware carries a higher level of risk.

It appears that Santander also thought this was – as it has said that there was an intervention at this point – but it hasn't been able to evidence what took place, and what was said to Mr M at the time.

I haven't seen anything to suggest that Mr M was told to lie about what he was doing, or mislead Santander in any way – so if Santander had questioned him appropriately about what he was doing, then I think he would have been honest with them and told them that he was investing in H, via crypto, and explained about the investment opportunity and how he came across it. I think that this would have been enough for Santander to quickly deduce

that Mr M was likely falling victim to a scam and warned him about this – and I don't think that Mr M would have ignored such a warning.

I know that Santander has said that it wouldn't have known that Mr M was investing in H (which had several warnings about it at the time) as the payments made to a crypto exchange, and I accept that it couldn't have known this. However, if it had intervened as I would have expected, then it would have become apparent.

Therefore, I think that Santander could have prevented Mr M's losses from payment five.

I do also need to consider if Mr M should bear some responsibility for what happened here. As Mr M has already accepted the outcome set out by our Investigator, I won't go in to too much detail here, but I agree that Mr M wasn't as careful as he should have been before parting with his money. The investment opportunity was found on social media, and it doesn't appear that Mr M took any steps to understand the investment, or how it worked, and the returns were also too good to be true. There were also several warnings about H available at the time online, which I think Mr M would have seen if he had conducted some research into how H worked. So I agree with our Investigator that the loss from payment five should be shared equally between both Mr M and Santander.

Putting things right

Santander should refund Mr M from and including payment five. It should deduct the returns Mr M received from this total – I calculate this to be £28,660.29.

It should pay Mr M 50% of this amount (£14,330.15).

On top of this, it should also pay Mr M 8% simple interest from the date of the payments until settlement (less any lawfully deductible tax).

My final decision

I uphold this complaint in part. Santander UK Plc should put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 2 October 2025.

Claire Pugh
Ombudsman