

The complaint

Mr P and Mrs P are unhappy that Santander UK Plc declined to reimburse them after they lost money to an investment scam.

Mr P and Mrs P are represented in this matter by a claims management company, but for ease of reading I will refer to Mr P and Mrs P throughout this decision.

What happened

In mid-2021, Mr P and Mrs P were interested in investing in cryptocurrency. Mr P came across an advertisement on a social media platform promoting the services of an investment company. Interested in the opportunity, he completed an enquiry form. Shortly afterwards, he was contacted by someone who discussed investment options with Mr P.

Mr P now knows that the individual he spoke to was a fraudster and not a representative of a legitimate investment firm. The fraudsters encouraged Mr P to open an account with a cryptocurrency exchange. He did so and made the following payments:

	date	Payee and transaction type	
1	1 July 2021	Transfer – Payward Ltd	£200
2	6 July 2021	Transfer – Payward Ltd	£3,600
3	8 July 2021	Transfer – Payward Ltd	£2,800
	10 July 2021	Credit – Payward Ltd	£1,000
4	15 July 2021	Transfer – Payward Ltd	£8,000
	17 July 2021	Credit - Payward	£4,000
5	19 July 2021	Transfer – Payward Ltd	£10,000
6	21 July 2021	Transfer – Payward Ltd	£8,000
7	26 July 2021	Transfer – Payward Ltd	£7,000
8	30 July 2021	Transfer – Payward Ltd	£25,000
9	5 August 2021	Transfer – Payward Ltd	£4,000
10	5 August 2021	Transfer – Payward Ltd	£4,000

11	6 August 2021	Transfer – Payward Ltd	£7,000
12	26 August 2021	Transfer – Payward Ltd	£20,000
13	26 August 2021	Transfer – Payward Ltd	£20,000
	28 August 2021	Credit from Payward Ltd	£128.92
	30 January 2024	Credit from Payward Ltd	£2,762.12
		Total Credits	£7,891.04
		Net loss	£103,508.96

It appears that the funds were then transferred on to a 'trading account' with Group-500 under the control of the scammers.

Mr P realised he had been scammed when he tried to encash his 'investments' and was unable to do so.

Mr P reported the scam to Santander, it declined to refund Mr P and Mrs P's losses. Mr P and Mrs P weren't happy with Santander's response and referred their complaint to this service. An investigator looked into their complaint and upheld it in part.

The investigator said they were of the view that Santander should have done more to prevent this scam and, had it done so, it could've prevented some of their losses. However, they also considered that Mr P and Mrs P should bear some responsibility for their losses. The investigator recommended that Santander refund 50% of the losses from the fifth payment on 19 July 2021 onwards.

Mr P and Mrs P accepted the investigator's view. Santander did not accept our investigator's view. It queried the £3,000 our investigator said had been repaid to Mr P and Mrs P by the scammers. It said this money hadn't been credited to their account with Santander and it asked whether other payments had been made to another account held by Mr P and Mrs P. It also asked for sight of Mr P's cryptocurrency account statements and it noted that Mr P had received a credit into his Santander account in January 2024 from his cryptocurrency account.

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 doing so, 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 have been good industry practice at the time. Having done so, I have reached the same view as our investigator, and for much the same reasons. I'll explain why.

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 (PSRs) and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

However, taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Santander should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 banks 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, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

I understand that Santander did intervene in this case. The evidence provided shows that Santander provided Mr and Mrs P with a warning based on the reason selected for the payment when they made the second transfer on 6 July 2021 of £3,600. As they selected the reason of the payment as transfer to own account Santander gave the following warning:

Transfer to own account.

Could this be a scam?

*If someone's contacted you, even Santander or the police, and said your accounts at risk and you need to transfer your money to a 'safe' account or a new account in your name. This is a known scam. **Please cancel this payment now and call us immediately.***

I don't think this warning would have caused Mr P concern as the scam he had fallen victim to was not a 'safe account' scam.

There is also evidence to suggest that Santander spoke to Mr P about the third transfer he wanted to make on 8 July 2021. In the WhatsApp chat Mr P had with the scammers he said:

My bank are querying the transaction...🤔. They are calling me now...

The scammer replied: *Make sure to tell them that it's you who is making the transaction to your own we wallet. No one helped you and you did it, and be stricket (sic) about you need this transaction to happen and they can't stop it.*

Unfortunately, Santander has not been able to provide this service with a recording of this call, or any records relating to this call or other subsequent calls it had with Mr P about the transfers he was making in connection with this scam.

The evidence also suggests that Santander called Mr P again to query the fourth transfer on 15 July 2021. In the WhatsApp chat with the scammer Mr P said: *'On hold waiting for bank to answer.'*

The scammer replied: *The banks started to make up lies on top of lies.*

Around an hour later Mr P then confirmed to the scammer that the money was being transferred.

On 19 July 2021 in a WhatsApp chat with the scammer Mr P said: *Waiting on phone to Santander security now....* 📞📠

The scammer responded: *Make sure to be aggressive and tell them it's your money and your wallet and they can't harass you.*

It appears this call was in connection with the fifth transfer Mr P had instructed Santander to make.

Mr P then confirmed that the money had been transferred from his Santander account and he said: *will move across to Gp500 now...*

(There is nothing in the WhatsApp messages that have been provided to show that Santander spoke to Mr P about any of the subsequent transfers.)

Santander has provided this service with the script it would have used in the conversations it had with Mr P about the transfers he was trying to make. From the script provided I understand that Santander would have asked Mr P why he was making the transfer, what the purpose was and whether he was being pressured in any way by a third party to make the payment or whether he had been told to mislead Santander about the real reason for the payment.

I understand, from the script, that it would also have suggested that Mr P check the FCA Register to ensure that the business he was dealing with was legitimate, before proceeding. I note that the FCA first issued a warning about Group-500 on 5 August 2021, so it is unlikely that had Mr P checked the FCA Register he would have seen a warning, but may have become aware that the business he was dealing with was not authorised by the FCA.

Having carefully considered this matter, I think however, that Santander ought to have been concerned about the payments Mr P was making by no later than the payment on 19 July 2021. This was the fifth payment to Payward in just over two weeks, the value of the payments Mr P was making was increasing significantly and the pattern was not in-line with the way he and Mrs P had previously operated their account. Likewise, the balance on the account was being reduced significantly, which again was not in-line with the way they had previously operated their account.

I am of the view that if Santander had questioned Mr P more robustly, when it spoke to him about this payment, and discussed why he was making such large payments to a cryptocurrency account the scam could have been uncovered at this point. I say this because I think it would have become apparent to Santander if it had questioned Mr P in more depth about investing in cryptocurrency that he only had limited knowledge in the area. From the script Santander has provided to this service I think it would then have been able to discuss with Mr P the characteristics of an investment scam such as unrealistic returns and that 'investors' are often put under time pressure to invest quickly. I think this would have led Mr P to tell Santander that he was in fact transferring the cryptocurrency onto an 'investment company' and the scam could have been uncovered at this point.

That said, having very carefully considered this matter, like our investigator, I think Mr P and Mrs P should bear some responsibility for their losses. In reaching this view, I've taken into account what the law says about contributory negligence while keeping in mind that I must decide this case based on what I consider to be fair and reasonable in all the circumstances. Having done so, I'm satisfied that it is fair and reasonable for Mr P and Mrs P to bear some responsibility for their losses here, despite the apparent shortcomings of the calls Mr P had with the bank.

I say this as I am mindful of the fact that it is likely Mr P was advised to check the FCA Register before going ahead. It appears he didn't do so. In practice, as I noted above, it's unlikely he'd have discovered anything about the broker by checking the FCA website because there was no live warning about it until 5 August 2021. He could, however, have discovered that it wasn't authorised. Nonetheless, I think that Santander made that recommendation to Mr P and he should not have disregarded it, particularly in view of the amount of money he was transferring.

To be clear, I don't wish to blame Mr P and Mrs P for being the victim of a scam. But in assessing whether Santander acted fairly, I must also consider whether Mr P took less care to protect himself than I would reasonably expect. I can see how Mr P was taken in by the scammer. The scammer posed as an investment adviser and showed Mr P what he felt was a credible-looking fake investment platform where he could see his supposed investments' performances.

On the other hand, I think there were times where Mr P didn't act as I'd reasonably expect. Namely, while I recognise how Mr P was enticed by this scam, I think there were some dubious and suspicious signs that I think he ought reasonably to have acted on. In view of this I think it is fair for Santander to refund 50% from the fifth payment on 19 July 2021 to take account of Mr P's contributory negligence.

I have also considered the points Santander raised in response to our investigator's view. I note that our investigator has provided it with copies of the Kraken statements for Mr P. There is nothing in these statements to show or suggest that Mr P and Mrs P received more money back from the scammer than the two credits for a total of £5,000 I have set out in the table above. I note there was some confusion regarding the credits Mr P received from the scammers – our investigator incorrectly referred to a £3,000 payment in their view and I apologise for this oversight. The Kraken statements show Mr P received a total of £5,000 from the scammers, £1,000 on 10 July 2021 and £4,000 on 17 July 2021.

I am also satisfied that the payment of £2,762.12 from Mr P's Kraken account to he and Mrs P's Santander account was not connected with this scam and should not be deducted from the redress due to Mr P and Mrs P. I note this point has already been addressed by our investigator.

Putting things right

In order to put matters right Santander UK Plc should pay Mr and Mrs P:

- 50% of the money they lost from the fifth payment on 19 July 2021 of £10,000;
- less the £128.92 that was transferred from Mr P's Kraken account on 28 August 2021;
- 8% simple interest per annum on those sums calculated to run from the date the payments left Mr P and Mrs P's account until the date the settlement is paid.

My final decision

For the reasons I've explained above, I uphold this complaint in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to accept or reject my decision before 11 August 2025.

Suzannah Stuart

Ombudsman