

## The complaint

Mr Y complains that Santander UK Plc ('Santander') hasn't reimbursed his full loss after he fell victim to a scam.

## What happened

Mr Y says that he came across an investment opportunity with a company I'll call K on social media. He understood the investment involved Forex trading. His initial investment appeared to do well, and Mr Y was advised of a profit of close to £130,000. When he wished to withdraw his funds, Mr Y was advised of fees including commission, a transfer fee, a document fee and a private code fee. Mr Y didn't receive any funds and realised he had been the victim of a scam.

I have set out in the table below all the payments Mr Y made during the scam.

Transaction	Date	Amount
1	04/07/22	£1,000
2	04/07/22	£1,000
3	19/07/22	£5,590
4	20/07/22	£9,550
5	21/07/22	£9,550
6	21/07/22	£15,850
7	21/07/22	£9,950
8	21/07/22	£9,950
		<b>£62,440</b>

Mr Y reported what had happened to Santander in September 2022. Santander attempted to recover Mr Y's funds and was able to recover £9,950 and £723.97. Santander also asked Mr Y questions to help it to investigate the scam. As insufficient information was provided, Santander didn't reach a decision on the claim.

In December 2024 Mr Y raised a complaint through a professional representative. He said Santander should have intervened when he made out of character payments and that he was vulnerable to the scam he fell victim to because of long term health conditions.

Santander assessed Mr Y's claim and reimbursed 50% of all transactions, so £31,220.

The investigator who considered this complaint said that Santander acted reasonably in reimbursing 50% of Mr Y's remaining loss under the CRM Code.

Mr Y didn't agree with the investigator's findings. He said Santander took far too long to respond to his complaint as it was raised in December 2024 and he only received an outcome in April 2024. This was because Santander acted reasonably in relying on an

exception to reimbursement. Mr Y also said that Santander failed to communicate appropriately with his representative.

After reviewing Mr Y's complaint, I asked for evidence of vulnerability and said that on the evidence I had, I felt that he had already received more than I would have awarded. I explained to Mr Y why I had reached this conclusion. Whilst Mr Y largely accepted what I said, he asked me to consider a compensation payment in respect of the service he received.

### **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, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

When thinking about what is fair and reasonable in this case, I've considered whether Santander should have reimbursed Mr Y in full under the provisions of the CRM Code and whether it ought to have done more to protect him from the possibility of financial harm from fraud.

The CRM Code says that a customer who was vulnerable when they made an Authorised Push Payment ('APP') scam payment should receive a full refund of that payment, regardless of any exceptions set out in it. The CRM Code states that:

"A Customer is vulnerable to APP scams if it would not be reasonable to expect that Customer to have protected themselves, at the time of becoming victim of an APP scam, against that particular APP scam, to the extent of the impact they suffered."

The representative Mr Y engaged to complain to Santander said that he was vulnerable to the scam he fell victim to. Both the investigator and I asked Mr Y for evidence of vulnerability at the time the payments were made, but none has been provided. Without any evidence, I can't fairly conclude that it's more likely than not Mr Y was vulnerable as set out in the code.

I turn now to consider the other provisions of the CRM Code, which says that a bank may choose not to reimburse a customer if it can establish that:

- The customer made payments without having a reasonable basis for believing that: the payee was the person the customer was expecting to pay; the payment was for genuine goods or services; and/or the person or business with whom they transacted was legitimate
- The customer ignored an effective warning by failing to take appropriate steps in response to that warning.

There are further exceptions outlined in the CRM Code that do not apply to this case.

#### *Did Mr Y have a reasonable basis for belief?*

Taking into account all of the circumstances of this case, including the characteristics of Mr Y and the complexity of the scam, I think Santander can fairly rely on an exception to reimbursement set out in the CRM Code and will explain why.

I have reviewed the notes made by Santander when Mr Y first reported the scam in 2022, when he said he didn't complete any research. When Mr Y's professional representative responded to a query raised by the investigator, his then representative said he did a lot of research including reviewing brochures (but none were provided), a Google search, examining social media, and that the scammer told Mr Y they were FCA regulated. I think

the evidence given when Mr Y first reported the scam is more persuasive as it was given before his memory will understandably have faded.

Even if Mr Y took the steps his representative said, I would still say Santander could fairly rely on the exception given the unrealistic profit Mr Y was told he was making, the huge and repeated fees, the poor communications from the scammer and the fact he was paying individuals not a company. The screenshots Mr Y has provided aren't in order, but I can see that at one point he was told of a funds transfer to him of £146,188.56. This was too good to be true, even taking into account Mr Y sent funds from another account too, and ought reasonably to have concerned Mr Y. Overall, I'm satisfied a 50% deduction is fair.

*Should Santander have provided effective warnings or intervened?*

The CRM Code also sets out standards that firms are required to meet. Where these are not met, the firm may still be liable to reimburse a victim in part, even where it has been able to establish that an exception to full reimbursement can be fairly applied (as is the case here). Those requirements include the provision of what the Code defines as an "Effective Warning" when a firm identifies an APP scam risk in relation to a payment.

In this case, Santander has already reimbursed 50% of Mr Y's loss, which is the most it should pay under the CRM Code where the customer wasn't vulnerable as set out in the code and had no reasonable basis for belief.

I will say though that I'm not persuaded that Santander ought reasonably to have identified an APP scam risk when Mr Y made payments one and two. The value of each transaction was relatively low, and I'm not persuaded Santander ought to have been concerned about a heightened risk the payments related to a scam. This means that under the CRM Code, Santander met its standards in respect of these transactions and isn't responsible for them. But Santander has still reimbursed 50% of both payments – meaning it has awarded Mr Y £1,000 more than I would have done. In addition to this, when Mr Y initially raised a scam claim with Santander in September 2022, it acted promptly and was able to recover the following payments from the recipient accounts:

- 07/09/22 - £9,950
- 20/09/22 – £723.97

The recovered funds should have been deducted from Mr Y's overall loss before Santander did its 50% calculation but were not, meaning that Santander has paid Mr Y considerably more than it needed to.

On balance, I think it's unlikely Santander could have prevented Mr Y's loss at the time the payments were made. Mr Y didn't choose the investment payment reason and instead said he was paying friends and family. I've considered requiring Santander to pay interest on the award it made to Mr Y from the date it should have made a decision under the CRM Code (after Mr Y instructed a professional representative) but, given the overpayment already made by Santander, I don't consider it fair to require Santander to pay anything more.

In response to investigator's view, Mr Y raised issues about the service provided by Santander in terms of the length of time it took to consider his CRM claim. I accept that Santander appear to have taken too long and not updated Mr Y's representative appropriately. But I wouldn't ask Santander to reimburse Mr Y's remaining loss just because the level of service it provided fell below what I'd expect. Instead, I'd consider a relatively small compensation payment. But as Mr Y has already received considerably more than I would award for his claim, as set out above, I do not think it would be fair to award him any compensation. In effect, he has already been compensated because Santander has overpaid him.

Overall, whilst I'm sorry to hear about this cruel scam and the impact it has had on Mr Y, I can't fairly require Santander to reimburse his remaining loss.

**My final decision**

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 16 February 2026.

Jay Hadfield  
**Ombudsman**