

The complaint

Miss A complains that Santander UK Plc ('Santander') won't refund the money she says was lost as the result of a scam.

What happened

Miss A engaged the services of a wedding planning company, that I'll refer to as L.

These are the payments that Miss A made.

Date	Details of transaction	Amount
5.3.2023	Payment to A – a company	£1
5.3.2023	Payment to A – a company	£4,437
5.6.2023	Payment to A – a company	£3,500
7.9.2023	Payment to L – a company	£5,000

In March 2024, prior to the event date, Miss A says L stopped all communication. Miss A says she hasn't been refunded, the vendors weren't booked, and deposits weren't paid by L.

Miss A raised a fraud claim with Santander, asking that they refund her. Santander declined to refund Miss A, saying she has a civil dispute with L. Santander apologised for the poor service Miss A received and offered a £150 gesture of goodwill.

Miss A declined the offer and brought a complaint to our service.

An investigator looked into Miss A's complaint but didn't recommend that Santander refund her. The investigator wasn't satisfied that Miss A's payments were covered by the Contingent Reimbursement Model Code (CRM Code). They said there wasn't sufficient evidence to say L took Miss A's money with a different purpose in mind. And even if Santander had intervened when the payments were made, Miss A's loss wouldn't have been prevented. The investigator felt the £150 goodwill gesture was fair.

Miss A disagreed with the investigator's opinion. She provided additional evidence and raised the following points:

- Vendors weren't booked or paid by L, which shows the funds weren't used for the intended purpose.
- L was not a genuine business and stopped communicating with clients.
- L said they would refund Miss A but were waiting on refunds from vendors – which wasn't true.
- Multiple other clients of L who paid for weddings haven't received the agreed services.
- Miss A was tricked into paying £13,000 months in advance, despite the contract saying final payment was only due four days before the event date.

- L's previous history of working with vendors isn't relevant to this case.

As the case couldn't be resolved informally, it has been passed to me to review.

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 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 more likely than not to have happened in light of the available evidence.

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 (in this case the 2017 regulations) and the terms and conditions of the customer's account. So, the starting position is that Santander isn't liable for the transactions.

Is Miss A entitled to a refund under the CRM Code?

Santander have signed up to the CRM Code, but it doesn't 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 CRM Code defines what is considered an APP scam as, "where the customer transferred funds to another person for what they believed were legitimate purposes, but which were in fact fraudulent".

In order to decide whether the circumstances under which Miss A made her payments meets the definition of an APP scam, I need to consider whether L had a different purpose in mind in obtaining the funds, than Miss A had in paying the funds. And, if there is a difference, I need to be satisfied that it was as a result of dishonest deception.

Miss A made the payments as part of her contract with L to provide the services for a wedding. I'm satisfied that it's more likely than not L had the same purpose in mind in obtaining the funds because:

- L had been operating and providing wedding services for a significant period of time prior to Miss A making her payment. Miss A has provided evidence from a vendor, who knows of previous clients of L who were dissatisfied with the services provided. But he confirms that wedding services were provided. Other vendors have referenced previous bookings made, with late payment or payments that are still outstanding. This persuades me it's more likely than not L was a legitimate supplier, albeit they may've been providing a poor level of service to their customers.
- Miss A says that she contacted the vendors for her event, and they hadn't been booked or paid the deposit as agreed with L. However, one vendor said that L had booked provisional dates for Miss A's event. The company who was to provide the accommodation and venue confirmed that bookings for other clients had been made

by L, although no deposits had been paid. It's possible that L intended to pay the deposits at the last minute and had intended to book the accommodation/venue – but it was delayed for some reason.

- Miss A has referred to the Fraud Act 2006 and what she considers to be breaches by L. But, breaching the Fraud Act 2006 doesn't necessarily mean that Miss A's payments meet the definition of an APP scam. The Fraud Act 2006 covers misrepresentation, which isn't covered under the CRM Code.

I appreciate that not all of Miss A's bookings were made, and the deposits weren't paid, and it's unclear why this has happened. But it's possible that something has happened which has impacted on L's ability to carry out the agreed services. This doesn't mean that they didn't intend to use the money for the agreed purpose when Miss A paid it.

The evidence that Miss A has provided shows poor business practices, poor service, and dissatisfaction by clients and vendors of L. But it doesn't show that L took Miss A's funds with no intention of providing the services at the time of the payments. And, as explained above, the CRM Code doesn't cover civil disputes where payment has been made to a legitimate supplier, but they haven't provided the service.

Having carefully considered all of the evidence I'm not satisfied that Miss A's payments are covered by the CRM Code.

It's possible that material new evidence may come to light at a later date that demonstrates L's intentions when Miss A made her payments, for example, from the police or Trading Standards. If it does, Miss A can ask Santander to reconsider her claim.

Is there any other reason I could ask Santander to refund Miss A?

There is an expectation for Santander to be on the lookout for, and to protect its customers from, potentially falling victim to fraud or scams. This includes monitoring accounts and identifying suspicious activity that appears out of character. Where potential fraud is identified, I would expect Santander to intervene and attempt to prevent losses for the customer.

However, even if Santander had intervened or should've intervened, I'm not satisfied that this would've prevented Miss A's loss. I say this because I'm not satisfied that there was any information available at the time Miss A made her payments, which suggested that L wasn't a legitimate business or that Miss A may've been at risk of financial harm from fraud.

I'm really sorry to disappoint Miss A as she lost a significant amount of money, but I'm not satisfied that I can fairly hold Santander liable for that loss.

The customer service Miss A received

Santander have accepted that the customer service Miss A received was poor and offered a goodwill gesture of £150, which is still available to Miss A. I'm satisfied that the goodwill gesture is fair based on the impact to Miss A of the poor service. Santander have said the goodwill gesture is still available to Miss A. If she now wants to accept it, she should contact Santander so they can arrange payment.

My final decision

My final decision is that I don't uphold this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept

or reject my decision before 1 October 2025.

Lisa Lowe
Ombudsman