

The complaint

Miss H complains that Santander UK Plc won't reimburse her after she reported being the victim of a scam.

What happened

Miss H wanted to install a wet room in her home. She found a company (which I will call 'L') through a platform that advertises builders. Miss H got four quotes for the work and went with L. Miss H met the directors of L, one of which was the plumber who would start the works and the other carried out the initial survey and quote of the job.

Miss H made the following faster payments to L:

Date	Amount
10 June 2024	£1,000
10 June 2024	£1,000
10 June 2024	£730.50
11 July 2024	£1,000
11 July 2024	£1,000
11 July 2024	£730
24 July 2024	£1,000
24 July 2024	£1,000
24 July 2024	£730.50

Miss H said that near the time the last instalment for the works was due, she had a worry she had been overcharged and that not all the works agreed had been done. She contacted the director who initially gave her a quote and said she wanted to sit down with him and talk through all the works that had been completed in order to review the price of the job. Miss H believes it was at that point that the directors stopped doing any work on the property.

Miss H was then told that the plumber who had been doing the works had had a heart attack. She was initially concerned and sympathetic, but after two months, there wasn't any update on when the plumber would be coming back and Miss H began to think she had been scammed.

Miss H said she also realised the matter was a scam when she was contacted by an associate of the plumber. This associate said the plumber had asked him to contact Miss H to arrange for the job to be completed. It's not clear whether he was aware of the wider circumstances and I understand he claimed not to have seen the plumber for some time. From what Miss H has said, it seems that this associate also expected to be paid to complete the work, even though she had already paid the plumber. Miss H found the proposal suspect and it strengthened her conviction that she'd fallen victim to a deliberate scam.

Miss H reported the matter as a scam to Santander. Santander declined to reimburse Miss H as it said the matter was a civil dispute and so was not covered by the relevant fraud and scams rules.

Miss H did go on to get the wet room completed with another company which meant she had ended up spending more than intended. She complained to the platform she found L on who inspected the works and agreed they were substandard. The platform offered £1,000 in compensation which was their maximum allowance but Miss H declined as her losses were more than this. Miss H said she went on to get three reports from plumbers who all agreed that the work was incomplete and was dangerous by plumbing standards.

Miss H was unhappy with this response and referred the complaint to the Financial Ombudsman Service.

Our Investigator looked into matters and agreed with Santander that the matter was a civil dispute. Miss H disagreed with this and asked for a final decision.

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'm required to take into account relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider having been good industry practice at the time.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (in this case, the 2017 regulations) and the terms and conditions of the customer's account. However, that isn't the end of the story.

At the time of the payment, Santander was a signatory to the Lending Standards Board's Contingent Reimbursement Model Code ('the CRM Code'). The CRM Code did provide reimbursement to some victims of Authorised Push Payment ('APP') scams, but it did not always apply.

The CRM Code specifically says it doesn't apply to *"(b) private civil disputes, such as 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;"*

Santander said it considers what happened between Miss H and L to be a civil dispute, so it isn't covered under the CRM Code and it doesn't have to reimburse her for this reason. I will consider if I think this is reasonable.

Is what happened a scam or a civil dispute?

The relevant section of the CRM Code defines an APP scam as:

The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.

So for me to find that Miss H had been the victim of a scam, rather than a civil dispute, I would need to be satisfied that:

- (a) There was a misalignment between Miss H's purpose for making the payment and the directors of L's purpose for procuring the payment; and
- (b) The difference between the two purposes must be due to dishonest deception on the part of L's directors

One of the key considerations here is thinking about what were L's directors' intentions from the start of the process – did they intend to dishonestly deceive Miss H?

I appreciate there are challenges in establishing what another person's intentions were and that I cannot know for sure. So I must consider all the available evidence and weigh this up in order to decide on balance what I think L's directors' intentions are likely to have been.

I also want to make it clear that the threshold for me saying fraud has occurred is a high one, (though not as high as in criminal proceedings). My role is to decide if I think fraud is more likely than not to have happened. It isn't enough for fraud to be one of a number of plausible theories for what happened, it has to have been more likely than not to have occurred.

Having looked at everything submitted, I do not think it's likely that fraud occurred here. I'll explain why below:

- The plumber appeared to have attended Miss H's property and did some work over two months such as laying a pipe outside the property and starting work on the wet room interior. Whilst I accept the work was not finished, this does not necessarily indicate a scam to me. A scammer often would look to take payment and leave quickly in order to lessen the risk of them being caught or challenged. However here, the plumber continued to attend the property over a prolonged period of time, taking payment in instalments. I think this lessens the likelihood that this is a scam.
- Miss H feels the plumber didn't do any work when he attended, but it does sound like there might have been plausible reasons for why he didn't do as much work as expected, for example, Miss H says the plumber told her that he couldn't lay tiles until the toilet was delivered and fitted. I could imagine a plumber not wanting to take the risk of cracking tiles before installation of a large, heavy object such as a toilet. So, I don't think this evidence on its own is strong enough to suggest that the plumber was a scammer.
- Miss H has provided evidence to show that the work the plumber did on the wet room was dangerous, and this is supported by second opinions she has received from other appropriately qualified plumbers. Whilst I do think that this evidence could support the notion that L's directors had fraudulent intent, it could also suggest that they were simply not very good at their jobs. Whilst I understand that this still means Miss H didn't get what she paid for and had been badly let down, I can't fairly and reasonably say that the plumber was a fraudster if he was merely incompetent. So unfortunately, it's difficult for me to draw a strong inference from Miss H's report about the standard of the work on its own.
- Miss H said she thought the matter was a scam when she was called by an old associate of the plumber to finish the work for further payment. Whilst I can understand why Miss H was suspicious about this as she had already paid a significant amount to L, I don't think this suggests that a scam has taken place. I say this because it seems unlikely that a scammer would go to the effort of contacting an associate to get a job completed, rather than just disappearing. I also can't see how L would get any financial gain from contacting someone else to

finish the job. I think it seems more plausible that the plumber wanted Miss H to have the opportunity to get the job finished. The fact that the associate wanted to be paid for any future work could be a miscommunication, or it could be the case that the plumber thought he had done enough work to justify the payments that had been made so far.

- I can see from L's bank statements that it received frequent payments into the account from individuals with addresses as the reference – this suggests to me that L was carrying out a number of jobs for people before and after the time of the scam. If the directors of L were fraudsters, I would expect to see more indicators of this, such as negative reviews online, or multiple fraud reports to L's bank, given how many customers it had. In practice, there have been no other allegations of fraud made to the receiving bank account and there's no evidence of negative reviews left online by other customers.
- L's account activity seems typical for a company that is legitimately in the building trade. I can see there are frequent payments to builders' merchants which suggests that the directors were buying materials to fulfil jobs. If the directors of L were scammers, I wouldn't expect L's account to be run in this way.
- Miss H did inform the police and Trading Standards about L but it doesn't appear that any action is being taken from either authority. It's more difficult for me to say that there is enough evidence to suggest criminal intent here when the police and Trading Standards themselves haven't said so and haven't chosen to investigate Miss H's allegation.
- I know that Miss H feels strongly that what happened to her was a scam, but I think there are other equally compelling reasons why L could have taken the money and not finished the job. I can't rule out that there was a breakdown in the relationship between the parties given Miss H suspected she had been overcharged and wanted to sit down with one of the directors to potentially renegotiate the price of the job. It may have been the case that the directors of L didn't want to continue the job anymore on different terms and made excuses for why they could not attend. I think the fact that this other plausible reason exists for what happened makes it more difficult for me to decide on balance that a scam occurred.
- I have also noted that the directors of L haven't responded to Miss H's letters despite them being received by recorded delivery. Whilst I acknowledge how frustrating this must be for Miss H, this isn't evidence that suggests to me that the directors intended to scam her. Again, it could just be the case that they have produced work of poor quality and are trying to avoid Miss H's attempts at litigation.
- Miss H felt after making the payments that she was not getting what she paid for and that she felt she had been overquoted for the work. Gross overinflation of prices for a job can sometimes be an indicator of a scam, but it isn't enough on its own to suggest that a scam has taken place. In Miss H's instance,

I don't have enough evidence to say the pricing for the work was excessive, and I am conscious that there isn't an objectively correct price for building work. I also note that Miss H got four quotes to get the wet room done, this makes me think that the price can't have been substantially different to other quotes she received, or it wouldn't be an attractive quote, even if L seemed like the most trustworthy company. But even if Miss H had shown that the price was distinctly higher, this doesn't suggest to me that the directors of L intended to defraud her. A fraudster would be unlikely to excessively price a job because it would be less likely to be accepted. So in this instance, I don't think that the price of the job indicates that the directors of L intended to deceive Miss H.

I do understand Miss H's points about why she is deeply unhappy with the conduct of L's directors. She feels she didn't get what she paid for, and she had to pay more to remedy what wasn't done to a good standard. I'm sorry that she has had to go through all this. But the evidence I have seen isn't enough to reach the bar and say that the directors of L had fraudulent intent.

I want to make it clear that I don't approve of the alleged behaviour displayed by the directors of L or think what happened was good business practice. But my role is to consider if the evidence shows that what happened here was a scam, as defined in the CRM Code, and if Santander should be liable to reimburse Miss H for the payments under the relevant scam rules.

Based on the points above, I don't think there's enough evidence to suggest that a scam occurred. I think it was reasonable of Santander to conclude that this matter is a civil dispute and the CRM Code does not apply. This means I won't be asking Santander to refund Miss H.

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 H to accept or reject my decision before 5 February 2026.

Paula Lipkowska
Ombudsman