

The complaint

Mr B is unhappy Santander UK Plc hasn't refunded him money, that he believes he has lost to an Authorised Push Payment ("APP") scam.

What happened

The background to this complaint is well known to all parties, so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

In or around September 2024, Mr B was introduced to somebody, who I'll refer to as 'S', through a trusted friend, who was living with them at the time. Mr B has said he was planning a trip to visit his friend, S said he would be able to organise activities for them while he was out there. As well as this, S also promoted an opportunity to make money through a matched betting scheme, through somebody who I'll refer to as C.

Mr B, between 2 September 2024 and 19 September 2024, made a number of payments to both S and C, totalling just under £6,500. The payments to C were intended to be for the matched betting opportunity, with the payments to S being for various activities, as well as for some goods that S was going to ship to Mr B, so that he could sell them in the UK for a profit.

But Mr B has said he didn't receive anything that he paid for, and S made numerous excuses for why things hadn't happened and why he wasn't able to refund him the money that he'd paid. Mr B did however receive flights from S, which S said he had paid for, as well as tickets to a sporting event. While he didn't send any money to S specifically for flights or a sporting event, Mr B believes S had used money he'd sent him to pay for the flights and that S had received the tickets for the sporting event for free.

Believing he'd been the victim of a scam, Mr B reported the matter to Santander, but it didn't uphold his complaint. In summary, Santander considered what had happened to be a civil matter.

Unhappy with Santander's response, Mr B brought his complaint to this service. One of our Investigators looked into things but didn't think the complaint should be upheld. In summary, it was our Investigator's view that there wasn't sufficient evidence to suggest that S or C had intended to deceive Mr B into making the payments.

Mr B disagreed with our Investigator's view. In summary, he maintained that he'd been the victim of a scam. He said he believed there had been a clear pattern of deceit and manipulation on the part of both individuals involved. He added that there had been others who had lost money to S in similar circumstances.

Our Investigator considered Mr B's response, but it didn't change his view. Since then, Mr B has confirmed that he had been in contact with C, who had agreed to repay him the money he owed, by way of a payment plan. In view of this, Mr B said he'd like the payments he made to C to be excluded from the investigation. However, he added that the situation with S remained unresolved.

As agreement couldn't be reached, the complaint has been passed to me for a 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.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here which is whether Santander acted fairly in its answering of Mr B's complaint. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I'm very sorry to hear of what's happened to Mr B and I don't underestimate his strength of feeling. But having considered everything, I can see no basis on which I can fairly require Santander to refund the money Mr B sent to S. I can appreciate that this outcome is not the one Mr B was hoping for, so I'll explain why.

Is Mr B entitled to a refund under the Contingent Reimbursement Model (CRM Code)?

Santander was signed up to the CRM Code, the starting principle of which is that a firm should reimburse a customer who has been the victim of an Authorised Push Payment ('APP') scam. This was in force at the time the payments that Mr B sent to S between 3 September 2024 and 17 September 2024 (our Investigator laid out a detailed table of payments in their view, so I don't intend to replicate that again here in this decision).

The CRM Code covers payments made where "the customer intended to transfer funds to another person but was instead deceived into transferring the funds to a different person; or the customer transferred the funds to another person for what they believed were legitimate purposes but which were in fact fraudulent".

That obligation, however, isn't engaged unless I'm persuaded that Mr B did indeed fall victim to a scam, rather than having a mere private civil dispute with S. To say that he has, it must be shown that the purpose for which Mr B made the payments and the purpose for which the recipient procured them were different—and that this difference arose due to dishonesty or deception on the part of the recipient. The key issue, therefore, is the intentions of the recipient at the time the payments were made. While I can't know what their intentions were, I have to look at the other available evidence and attempt to infer what their intentions likely were.

In the circumstances of this case, I'm mindful that Mr B has said he didn't receive any refunds of the money he'd sent, despite reassurances from S, and none of the activities he'd paid for materialised. I don't doubt that Mr B has been very badly let down. But this isn't sufficient to support a dishonest intent; it's equally possible that S intended returning money to Mr B, as C has since agreed to, but has been unable to.

I also can't ignore that S did provide Mr B with flights and tickets to a sporting event. And he has remained in contact with Mr B, which supports an intent to deliver on some promises, albeit I acknowledge not to the degree that Mr B could reasonably have expected.

It's worth noting that I wouldn't expect a fraudster to provide anything to Mr B, if he intended to steal his money – even less so to provide Mr B with flights to a location where S knew he would likely meet Mr B, given S was living with Mr B's friend. While none of these things in isolation don't prove this wasn't a scam, they all strengthen the notion that there are other possibilities here, other than fraud, for why Mr B may not have received what he expected or his funds back.

I'm mindful that Mr B has said matters were reported to the police and others have also lost money to S. But it's worth noting that if there was a live investigation, I acknowledge, that this would give the appearance, to the layman, to be proof Mr B has been the victim of fraud—as it infers that the police have taken the matter seriously enough to pursue this course of action. However, the purpose of an investigation is to gather evidence. And that will likely go toward investigating the accused's intent at the time; the result of which may or may not lead to a prosecution.

I would like to make it clear that my findings are not intended to conclusively rule this matter a civil dispute: I acknowledge the possibility that Mr B may have been the victim of fraud here. However, I must decide this complaint based on the evidence currently available. At this time, I am not persuaded that Santander acted incorrectly in treating this as a civil dispute, and therefore it is not covered by the CRM Code.

Is Mr B entitled to a refund under The Faster Payment Scheme Reimbursement Rules ("Reimbursement Rules")?

The Reimbursement Rules came into force on 7 October 2024 and apply to all UK-based Payment Service Providers (PSPs). They put a requirement on firms to reimburse APP scam payments made via the Faster Payments Scheme, in all but very limited circumstances. So, this impacts the payments Mr B sent to S from 23 October 2024.

The Reimbursement Rules set out the requirements for a payment to be covered. Of relevance here:

- It must have been made as part of an APP scam (whether to a recipient or for a purpose other than the payer intended);

An APP scam is further defined as where fraudulent deception was used to obtain the funds where:

- The recipient is not who the Consumer intended to pay, or
- The payment is not for the purpose the Consumer intended

For the same reasons previously given in relation to the CRM Code, I'm not satisfied that the payments Mr B sent from 23 October 2024 are covered by the Reimbursement Rules. The intended recipient received the funds. And, as I haven't seen evidence that persuades me that there was an intent to defraud Mr B, I'm not satisfied that Mr B is entitled to a refund under the Reimbursement Rules.

Mr B has my sympathies, in that I don't doubt that things clearly haven't gone as planned. But here I am considering whether it was fair for Santander to decline reimbursing him under provisions of the CRM Code and Reimbursement Rules. And based on the evidence available I'm satisfied Santander acted fairly in declining reimbursement.

My final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 5 December 2025.

Stephen Wise
Ombudsman