

## **The complaint**

Mrs C complains that Santander UK Plc didn't do enough to protect her when she fell victim to two separate investment scams.

Mrs C is professionally represented, however, to keep things simple, I'll refer to Mrs C throughout my decision.

## **What happened**

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

In 2017, Mrs C came across a property development investment opportunity, with a firm, I will refer to as 'B'. Mrs C was promised guaranteed fixed returns of 8.9% with quarterly interest payments. She was also reassured that a capital guarantee scheme was in place and that her investment would be insured for up to £75,000.

Based on the information she was provided, Mrs C believed this was a genuine investment opportunity and on 30 March 2017, she made a payment of £5,000 to B. Between May 2017 and August 2019, Mrs C received regular returns from B as promised, totalling £831.23.

In 2019, Mrs C came across a second property development investment opportunity, with a different firm, which I will refer to as 'H'. Mrs C was promised higher returns of 15% and after receiving the relevant paperwork about the investment opportunity, she was satisfied the investment was genuine. As a result, on 12 September 2019, Mrs C made a payment of £10,000 via cheque to H from her Santander account.

Mrs C said she thought her investments with B and H were both genuine and were just failed investments, as she did initially receive some returns on her investment from B. She had also been given reasons why the investment with H had failed. However, when she spoke to her representative, she was told that she had fallen victim to two separate scams, so she raised a complaint with Santander, which it didn't uphold.

Mrs C referred the matter to our service. Santander said they considered the £5,000 payment Mrs C made to B in 2017 outside of our jurisdiction as the payment was made more than 6 years ago, and they don't hold any information surrounding the transaction, so it would be unable to investigate it.

One of our Investigators looked into the complaint and didn't uphold it. She wasn't persuaded Mrs C had been the victim of two scams and rather that she paid two legitimate firms.

Mrs C didn't agree and said Santander should have done more to protect her from both the investment scams she says she fell victim to.

As no agreement could be reached, the complaint was passed to me 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.

I would like to say at the outset that I've considered this case on its own merits and have summarised it in less detail than the parties involved. I want to stress that no discourtesy is intended by this. It's simply because my findings focus on what I consider to be the central issues in this complaint – that being whether Mrs C was the victim of two separate scams and if Santander is responsible for the loss she claims to have suffered.

I'm sorry to hear of what's happened to Mrs C, and I understand why she feels the money should be refunded. However, I don't find that Santander has acted unfairly in processing the payments, declining her claims and deciding not to refund her money for broadly the same reasons as our Investigator. I'll explain why.

Where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in light of the available evidence and the wider surrounding circumstances.

In line with the Payment Services Regulations (2009 and 2017) at the time the payments were made, consumers are generally liable for payments they authorise. Santander is expected to process authorised payment instructions without undue delay. But they also have long-standing obligations to help protect customers from financial harm from fraud and scams. Those obligations are however predicated on there having been a fraud or scam. And so, it would only be reasonable for me to consider whether Santander is responsible for the loss Mrs C claims to have suffered if, indeed, she has been scammed. I've therefore considered whether Mrs C was the victim of two investment scams as she has mentioned.

For clarity, I should also explain the Lending Standards Board's Contingent Reimbursement Model ('CRM') Code doesn't apply here. This is a voluntary code which requires signatories, such as Santander, to reimburse customers who are victims of scams in all but a limited number of circumstances. But the CRM Code took effect on 28 May 2019, and it is not retrospective, so it doesn't apply to the payment Mrs C made in 2017 to B. The CRM code also doesn't apply to cheque payments, so again it doesn't apply to the payment Mrs C made to H in 2019. That means the code simply didn't apply to both the payments Mrs C made.

### **Investment with B**

Initially when the complaint about the payment Mrs C made to B for £5,000 in 2017 was raised, Santander said the payment was outside of our jurisdiction to consider, due to the complaint being made more than six years after the event took place.

However, the Investigator didn't agree. Although, she accepted the first part of the 6- and 3-year rule, that the payment was made more than six years ago, she didn't agree that Mrs C was made aware of the potential scam until 19 January 2022, when she received a letter informing her that B had gone into administration. As a result, the Investigator said the first payment Mrs C made to B in 2017, was within our jurisdiction to consider as she had bought the complaint to our service within 3 years of being aware that she had cause to complain.

Santander didn't respond to the Investigator in relation to matters concerning our jurisdiction on payment one to B. But for completeness, I agree that I can consider the complaint to, in line with what the Investigator has explained.

Mrs C made her first investment of £5,000 on 30 March 2017. And as promised by B, she received regular interest payments between 2017 and 2019, totalling £831.23, which was consistent with the terms of the investment she entered into.

B later entered administration, and information has since come to light that B was unregulated, and it was issuing high-risk mini bonds, promising unrealistic returns for property developments.

However, I've not seen any evidence to show B was set up deliberately to defraud investors. And at the time Mrs C made her payment, as B was a registered firm, with public presence, regulatory filing and professional marketing literature to convince Mrs C the investment opportunity was genuine at the time she made the payment.

Due to the time that has passed since the payment was made in 2017 and the complaint being raised, Santander didn't have any further information about the payment in question. And due to the limited information available and lack of evidence provided by Mrs C, I am unable to say B were operating a scam.

### Investment with H

On 12 September 2019, Mrs C made a £10,000 cheque payment from her Santander account to H as part of an investment opportunity. I'm aware H completed multiple projects which suggested it used investors funds as it stated and as was expected by the investors. This isn't typical of a scam. The company went into liquidation and the liquidator investigation hasn't provided us with any evidence to show the company was operating a scam.

I can appreciate the difficulties Mrs C has had with providing us with information regarding her investment with H. However, based on the information I've seen, I'm not persuaded that Mrs C has been a victim of a scam because I've not seen enough to show she was dishonestly deceived by H about the purpose of the investment at the time she made the payment.

### Recovery

I've also considered whether Santander could have done anything more to recover Mrs C's loss. However, as both B and H had entered administration by the time Mrs C raised her complaint, there was very little prospect of recovering the funds. Therefore, I wouldn't have expected Santander to have done anything else to help recover the loss.

To summarise, Santander should protect their customers from fraud and scams – by looking out for unusual or suspicious payments and carrying out additional checks before processing them. But, as I've explained, these obligations are predicated on there having been a fraud or scam. And given I've concluded that the payments Mrs C made weren't made as part of a scam, these obligations don't apply here.

I have a great deal of sympathy for Mrs C and the loss she says she has suffered. But it would only be fair for me to direct Santander to refund her loss if I thought they were responsible – and I'm not persuaded this was the case.

### **My final decision**

My final decision is that I do not uphold this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or

reject my decision before 5 January 2026.

Israr Ahmed  
**Ombudsman**