

The complaint

Mr and Mrs M complain that Santander UK Plc did not reimburse the funds lost to a scam.

What happened

While the account is in both Mr and Mrs M's name, I will only be referring to Mrs M throughout this decision as she carried out the transactions.

Following the end of a long-term relationship, Mrs M used online dating and met an individual I will refer to as 'X'. X told her he was a pilot and was based in Romania, and they quickly built a relationship. Unfortunately, X turned out to be a scammer who took advantage of Mrs M and soon began asking her for money. She sent the following payments to X from the joint account with Santander:

Date	Amount
28/11/2018	£5,000
31/12/2018	£4,000
31/12/2018	£6,000
31/12/2018	£2,000
11/01/2019	£2,000
21/01/2019	£1,000
30/01/2019	£7,000
01/02/2019	£1,750
13/02/2019	£1,000
14/02/2019	£9,000
15/02/2019	£7,000
15/02/2019	£8,000
16/02/2019	£9,000
26/02/2019	£22,000
24/04/2019	£15,000
29/05/2019	£8,000
30/05/2019	£8,000
31/05/2019	£9,000
06/08/2019	£23,000

X initially said he needed funds because he had broken equipment at work that he needed to repay. He then went on to say that he was having financial problems and his account had been blocked, that his son was ill amongst other reasons. All the while he told Mrs M that he would pay her back and they could be together.

Santander received notice from the receiving bank where most of the funds went that large amounts had been credit to the account and they suspected fraud. Mrs M was called into branch by Santander to discuss the issue, and the Banking Protocol was invoked, meaning the police attended the branch to speak with her. At that point, Mrs M understood that she had been the victim of a scam, and was able to find the social media platform of the individual whose photos X had been using fraudulently.

Santander looked into the scam claim raised by Mrs M and refunded 50% of the final four payments, totalling £24,000. This is because these payments are covered under the Lending Standards Boards Contingent Reimbursement Model ("CRM") Code. Santander felt they should have done more to prevent the scam occurring, but also felt Mrs M should bear some responsibility as she carried out no checks before sending large amounts of money to an individual she had not met.

Mrs M felt the earlier payments should also be reimbursed and referred the complaint to our service. Our Investigator agreed and felt the initial payment of £5,000 was unusual enough to warrant an intervention and they felt it was more likely this intervention would have led to the scam being uncovered. But they agreed Mrs M should bear some responsibility for the loss and recommended a 50% reduction in the reimbursement. Mrs M agreed to this but Santander did not, they felt that when these payments were made in late 2018 and early 2019, there was no requirement on them to ask probing questions.

The complaint was passed to me for a decision. I wrote to Santander and set out the extensive regulations that were in place in late 2018 and early 2019, that informed the CRM Code, and explained this meant they were expected to intervene in unusual or out of character transactions and ask appropriate questions to assure themselves consumers were not at risk of financial harm. Santander responded and said there was no way to know what an intervention could have revealed, as it was possible Mrs M may not have been compelled to tell the truth.

As no informal agreement could be reached, I will now reach 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 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.

Santander have already refunded 50% of the final four payments, as they were covered under the CRM Code which provides additional protection to victims of authorised push payment scams such as Mrs M. However, some payments were made prior to the inception of the CRM Code and Santander should still have been on the lookout for signs Mrs M may be at risk of financial harm for these payments as well. I'll explain more below.

Broadly speaking, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account. And a customer will then be responsible for the transactions that they have authorised.

It's not in dispute here that Mrs M authorised the payments in question as she believed they were needed by an individual she was romantically involved with. So, while I recognise that she didn't intend the money to go to a scammer, the starting position in law is that Santander was obliged to follow Mrs M's instruction and process the payments. Because of this, she is not automatically entitled to a refund.

The regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. It should be noted these regulations and guidelines were in place when Mrs M made the payments in question.

I have firstly considered whether the payments themselves were out of character when compared to Mrs M's normal account activity. I'm aware Santander has said it does not think the initial payment of £5,000 was unusual, as Mrs M had made a payment of £10,000 earlier on in 2018. I've reviewed the statements, and it appears the £10,000 was a standalone payment that went to what looks like an existing and trusted payee, and most other payments going out of the account were significantly lower. I therefore do not think this means Santander did not need to intervene in another high value payment to a brand-new payee that had some hallmarks of a suspicious payment. The initial payment of £5,000 was to a new payee and high enough in value that I think it should reasonably have been flagged as suspicious and referred for additional checks. And I think it would have been appropriate for this to have been a human intervention by a member of staff.

Santander has said it did stop a later payment of £8,000 for checks. However, there was no staff intervention here, so no opportunity for the payments to be discussed with Mrs M. All Mrs M needed to do was verify she was authorising the payment online, which she did before reattempting the payment. By that point, Mrs M had sent just under £100,000 to X and I therefore do not think this level of intervention reflected the risk level the payments posed. I note Santander have said they provided an automated warning to Mrs M about paying individuals she had not met in person, but despite being given the opportunity they have not provided this evidence.

I've gone on to consider whether a human intervention at the £5,000 on 28 November 2018 could reasonably have revealed the scam. Santander has argued that Mrs M could have been compelled not to tell the truth about the purpose of the payment, meaning she could have misled Santander about what the payment was for, and the scam would not have been revealed.

I have seen some screenshots of conversations between Mrs M and X, however these are sporadic and do not show the full conversation from start to finish. It is understandable that she no longer has the full conversations considering they occurred many years ago now. These show Mrs M was asking X questions about the money and why he needed it, as well as the names of the individuals X was dealing with, all of which it appears he was reluctant to provide. These show that at some point, Mrs M was questioning of X and his motives.

On balance, considering I think the intervention should have occurred on the very first payment and she had only been speaking with X for around a month at that point, I think it is more likely Mrs M was not so deep under his spell at that stage. I have seen nothing to suggest she would not have been open and honest with Santander had they questioned her about the payment. Nothing in the screenshots of the chats that I have seen suggest she was being told by X not to be truthful about the purpose of the payments, and I can see she selected the purpose of the initial payment as 'paying friends/family' which I think most closely fit her circumstances. And she put the reference as 'loan' for most of the payments, so again I think it's more likely she would have been honest about the purpose of the payment had Santander asked her further questions about it.

Mrs M had fallen victim to a romance scam, which is and was a well-known type of scam, which even the call handler from the fraud team who spoke with Mrs M about the payment said were very common at that time. Mrs M had met X online, had not met him in person and he said his passport was being withheld by his employer until he paid a large amount which he needed her to pay to a third-party account. From my experience with these cases, these are common traits of romance scams that I think could have been picked up on by some basic questioning from Santander. I therefore think a human intervention at that time could have revealed the scam, and I think Santander should therefore reimburse Mrs M from the initial payment onwards.

I've considered whether or not Mrs M should reasonably bear some responsibility for the losses as a result of any negligence in her actions and if it is therefore reasonable for me to

make a reduction in the award based on this. In doing so, I've considered whether Mrs M has acted as a reasonable person would to protect herself against the loss she suffered. The test is objective but needs to take account of the relevant circumstances.

I note that Mrs M has already accepted the recommendation of a 50% reduction in the redress to account for her contribution to the loss, so I will not go into detail again about this issue. In summary, I do agree that a reduction in the redress is reasonable in the circumstances. Mrs M gave a significant amount of money to an individual she had not met and had not been able to verify the reasons why he needed the funds. While I appreciate she was going through a difficult time, on balance I think she could have taken some steps to protect herself from this scam.

As I think all of the payments highlighted above could have been prevented had an intervention occurred on the initial payment, I see no reason to also assess the payments covered under the CRM Code which have already been partially refunded by Santander, also at a reduced rate of 50%, which aligns with my recommendation of the earlier payments.

I therefore think Santander should:

- reimburse 50% of all of the losses Mrs M incurred,
- assess any reimbursement it has already paid her,
- 5% simple interest from the date of the transactions to the date of the settlement for the transactions they have not yet reimbursed,
- assess any lawful tax.

My final decision

I uphold Mr and Mrs M's complaint in part, and direct Santander UK Plc to pay the redress outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs M to accept or reject my decision before 24 October 2025.

Rebecca Norris

Ombudsman