

The complaint

Miss H complains that Santander UK Plc won't refund money she lost to a scam.

Miss H is represented by a firm I'll refer to as 'C'.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

Miss H fell victim to a romance scam having met an individual – that I'll refer to as 'L' – on a well-known dating website in 2019. Miss H saw that she had mutual friends with L on Facebook, and that the photos he shared on the dating site matched those on his Facebook profile (which he posted and shared things on frequently). This made L seem legitimate to Miss H and they talked regularly, with a strong bond being formed. Under the belief she was in a genuine romantic relationship with L, Miss H sent money to him for various reasons from several bank accounts.

As part of the scam, L directed Miss H to send crypto. This was because it was quicker and, as he had been declared bankrupt, it would ensure it wasn't taken by creditors that he owed. Miss H purchased crypto from a legitimate provider ('M') using her Santander account. She made just over 20 debit card transactions totalling about £10,000 between 12 November 2022 and 9 March 2023.

Miss H has explained she realised she'd been scammed when she became aware of reverse image searching and found that photos had been taken from another social media platform. When Miss H questioned L about this, he cut all communication.

C, on Miss H's behalf, complained to Santander in July 2024. C didn't think Santander did enough to protect Miss H from falling victim to the scam at a time when she was vulnerable due to her late father's passing. They thought Santander should've identified the account activity as potentially fraudulent and carried out additional checks before processing the payments. Through questioning, the scam would've most likely been uncovered. And had a relevant scam warning been provided to Miss H, she wouldn't have proceeded with the payments. To settle this complaint, C wanted Santander to refund Miss H, pay 8% simple interest and £300 compensation.

Santander didn't uphold the complaint. They said they wouldn't refund the payments as the funds were sent to an account in Miss H's own name before being moved on.

The complaint was referred to the Financial Ombudsman. Our Investigator didn't however think Santander had to do anything further. He said, until the third last payment (£3,000), the payments were of a low value and didn't indicate a pattern of potential fraud. So, he wouldn't have expected Santander to have been concerned prior to this point. But he thought Santander should've provided Miss H with a written warning tailored to crypto investment scams due to their prevalence when the £3,000 payment was made. He didn't however think this would've stopped Miss H making the payment as it wasn't relevant to her situation. Nor did he think there was any prospect of Santander recovering Miss H's loss.

C disagreed. In short, they said:

- Miss H made the payments to her M account, but this was under the instruction of L who purported to be someone he wasn't and manipulated her over a four-year period. This wouldn't have happened if Santander had intervened.
- Miss H didn't make any further payments to M after March 2023, when she reported the matter to the police (which is being investigated by them).
- Santander should've flagged the payments as unusual for Miss H. They failed in their duty of care as they should've noticed the pattern of payments over the six month-period.
- They feel Santander are victim blaming and looking for excuses to avoid responsibility. Santander didn't contact Miss H or give her the opportunity to cancel the payments she was making to L (via M). And had Santander intervened from the outset, the scam would've been stopped.

Our Investigator considered what C said, but his position remained the same. He acknowledged Miss H is the victim of a scam, but he didn't think Santander had to do anything more than provide a written warning tailored to crypto investment scams. Unfortunately, as Miss H wasn't falling victim to an investment scam, he didn't think it would've resonated with her.

C remained in disagreement with our Investigator. The matter has been passed to me to decide.

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 sorry Miss H has been the victim of a scam, and I don't underestimate the impact it's had on her. I realise it is a significant amount of money she has lost and so, I understand why she is doing everything she can to recover it. But just because a scam has occurred doesn't mean Miss H is automatically entitled to a refund by Santander. It would only be fair for me to tell Santander to reimburse Miss H if I thought they were responsible for her loss, or that if I considered they hindered the recovery of the funds. Having carefully considered this, I don't think Santander has acted unfairly by not providing a refund. I'll explain why.

Before I do, I want to reassure Miss H that I've considered everything C has submitted in support of her complaint. And so, while I've summarised this complaint in far less detail than what has been provided, I want to stress that no courtesy is intended by this. If there is a submission I've not addressed; it isn't because I have ignored the point. It's simply because my findings focus on what I consider to be the central issue in this complaint – that being whether Santander are responsible for any loss Miss H suffered because of the scam.

These payments aren't covered by the Contingent Reimbursement Model (CRM) code – as they were debit card payments made to Miss H's own account, which is excluded. I've therefore considered whether it would otherwise be fair and reasonable to hold Santander responsible for Miss H's loss.

In broad terms, the starting position in law is that a bank is expected to process payments that their customer authorises them to make. It isn't disputed that Miss H authorised the payments from her Santander account – albeit under the deception of L. Therefore, under the Payment Services Regulations and the terms of her account, Santander are expected to process Miss H's payment, and she is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Santander to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

So, the starting point here is whether the instructions given by Miss H to Santander (either individually or collectively) were unusual enough to have expected additional checks to be carried out before the payments were processed.

When considering this, I've kept in mind that Santander process high volumes of transactions each day. And that there is a balance for Santander to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate – as it wouldn't be practical for Santander to carry out additional checks before processing every payment.

Here, prior to the third last payment to M (£3,000 on 9 March 2023), the transactions were of a relatively low value – between £35 and £1,119.34. The payments were also spread over about four months, and so they weren't made in rapid succession which can be an indicator of potential fraud. Because of this and considering that most crypto purchases are legitimate and not related to any kind of fraud, I don't think there was sufficient reason for Santander to consider Miss H was at heightened risk of financial harm from fraud. I therefore wouldn't have expected them to have carried out additional checks before processing these payments.

Miss H made two debit cards payments to M on 8 February 2023 - £3,000 and £50 – followed by a singled £3,000 payment on 9 February 2023. The £3,000 transactions were of an increased value, and more than Miss H typically spent on her account. I understand Santander needs to take an appropriate line between protecting against fraud and not unduly hindering legitimate transactions. But given what Santander knew about the destination of the payments and the change in Miss H's account activity, I think the circumstances should have led Santander to consider Miss H could be at risk of financial harm from fraud. I therefore would've expected Santander to have warned Miss H before the £3,000 payments were made.

I've thought carefully about what a proportionate warning in light of the risk presented would be in these circumstances. In doing so, I've taken into account that many payments that look very similar to these will be entirely genuine. I've given due consideration to Santander's duty to make payments promptly, as well as what I consider to have been good industry practice at the time these payments were made.

Taking that into account, I think Santander ought to have provided a warning tailored that was specifically about the risk of crypto scams. In doing so, I recognise that it would be difficult for such a warning to cover off every permutation and variation of crypto scams, without significantly losing impact. But I think it would've been a proportionate response to the risk the £3,000 payments presented at that time.

So, at this point in time, I think that such a warning should have addressed the key risks and features of the most common crypto scams – crypto investment scams. The warning Santander ought fairly and reasonably to have provided should have highlighted, in clear and understandable terms, the key features of common crypto investment scams, for example referring to: an advertisement on social media, promoted by a celebrity or public figure; an 'account manager', 'broker' or 'trader' acting on their behalf; the use of remote access software and a small initial deposit which quickly increases in value.

I recognise that a warning of that kind could not have covered off all scenarios. But I think it would have been a proportionate way for Santander to minimise the risk of financial harm to Miss H by covering the key features of scams affecting many customers but not imposing a level of friction disproportionate to the risk the payment presented.

I've thought carefully about whether such a warning would've resonated with Miss H, and to the extent whereby she wouldn't have proceeded with making the payments. Having done so, I don't think it would. This is because the most common features of crypto investment scams – which, as per above, I would've expected Santander to have highlighted – wouldn't have been relevant to Miss H's circumstances. Miss H wasn't making the payments for

investment purposes, but she was sending it as part of a romance scam. Because of this, while I think Santander ought to have taken additional steps before processing the £3,000 payments to M, I'm not persuaded that even if Santander had provided a tailored crypto investment scam warning that it would've deterred Miss H from making them. Because of this, I don't think Santander's failure to provide such a warning led to Miss H suffering her loss.

I've also thought about whether Santander could've done anything to recover Miss H's funds, but I don't think they could. The only option of recovery for the debit card payments was via chargeback. But given the payments were made to a legitimate crypto provider, I don't consider that a chargeback would have had any prospect of success given there's no dispute M provided the crypto to Miss H that she paid for.

I appreciate Miss H is the innocent victim of a scam. I'm not placing any blame with her for what's happened or the loss that she has suffered. But I must consider whether Santander is responsible for it. And although I know Miss H will be disappointed by this outcome, I don't think Santander are. For the above reasons, I think Santander has acted fairly and so I'm not going to tell them to do anything further.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 30 December 2025.

Daniel O'Dell
Ombudsman