

The complaint

Ms C has complained Santander UK Plc failed to sufficiently intervene causing her to fall victim to an authorised push payment (APP) scam.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. In summary, Ms C purchased what she believed was a government backed bond for £10,075. However, she did not receive any of the expected returns and the company went into administration. In circa November 2022 Ms C became aware one of the parties linked with the company she invested in was prosecuted for fraud and money laundering. In October 2024 the administrators also highlighted to investors they may have been defrauded. So, she thinks Santander should have protected her from making the payment because she now believes the company was fraudulent.

I highlighted what my findings would most likely be in an email to both parties dated 23 May 2025. Neither party supplied me with any additional comments which has altered my stance and so I will proceed with my decision along those same lines.

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 focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. 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 don't doubt that Ms C may well have been the victim of a scam here – she has lost a large sum of money and has my sympathy for this. However, that does not mean she is automatically entitled to recompense by Santander. It would only be fair for me to tell Santander to reimburse Ms C for her loss (or a proportion of it) if: I thought Santander reasonably ought to have prevented the payment she made, or Santander hindered the recovery of the payment Ms C made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I have kept in mind that Ms C made the payment herself and the starting position is that Santander should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) she is presumed liable for the loss in the first instance. I appreciate that Ms C did not intend for her money to ultimately go to a scammer – but she did authorise this payment to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the 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 should fairly and reasonably:

- Have been monitoring accounts to counter various risks, including preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which payment service providers are generally more familiar with than the average customer.
- In some circumstances, take additional steps, or make additional checks, before processing a payment, or in some cases decline it altogether, to help protect customers from the possibility of financial harm from fraud.

So, I've thought about whether the transactions should have highlighted to Santander that Ms C might be at a heightened risk of financial harm due to fraud or a scam.

I have noted Santander no longer holds any information regarding any warning it may have given Ms C. As her payment was made so many years ago that's not particularly unusual. However, even if I considered the most appropriate intervention should have been greater than a written warning, such as a human intervention, I do not think Santander could have prevented Ms C's loss.

I say this because at the time, Ms C believed the payment she was making was for a legitimate investment. Had Santander discussed the payment with her it is very likely she would have shared she had been supplied with paperwork such as a brochure, a published article from within a well-known newspaper and a contract. These are not typical of a scam and would have portrayed to Santander the company was providing a legitimate service. Therefore, through being open and honest, Ms C would have alleviated any concerns Santander may have had. In response, it's likely Santander would still have given her a general scam information warning. But, with the wider information Ms C had available to her suggesting the investment wasn't a scam, I'm not persuaded this would have stopped her making the payment.

Therefore, although I do think Santander could have (if it did not) intervened here I am not persuaded it could have prevented Ms C's losses occurring.

The Contingent Reimbursement Code Model

The Contingent Reimbursement Code Model only applies to transfers from 28 May 2019 and so isn't applicable here.

Recovery

I have considered whether Santander could have taken any further steps once made aware of Ms C's scam allegations. However, as the firm she paid went into administration there would not have been any additional action Santander could have completed to try and recover the funds.

So, in light of all of the above findings, there's no fair and reasonable basis under which I can ask Santander UK PLC to take any further action.

My final decision

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 15 July 2025.

Lawrence Keath
Ombudsman