

The complaint

B, a charitable body, has complained Santander UK plc did nothing to protect them from being the victim of a scam.

What happened

Both Mr P, an authorised signatory for B, and B have accounts with Santander. Mr P is able to see both his personal and B's separate account when he logs in.

In 2023 Mr P was the victim of a scam. As part of this he allowed remote desktop software to be downloaded onto his laptop. This meant the scammers were able to see they could access both Mr P and B's account using this software. Although Mr P understood that he was allowing payments to be made from his account, he says he had never given any authority to the scammers to use funds that were in B's account.

When funds were transferred from B's account, Mr P was clear that he wanted this to cease. In three separate transactions, £5,800 was transferred from B's account to Mr P's separate crypto account.

It was shortly after this that Mr P realised, he'd been involved in a scam. He reported his losses to Santander who declined to refund B. They argued that any dispute B wished to raise was a civil dispute against Mr P. They also stated there was no loss from B's account as payments were made to Mr P's own crypto account.

B brought their complaint to the ombudsman service. They were concerned that Santander's systems had been inadequate, and it was this that had enabled a fraudster to use funds from their account when Mr P was logged into his own account.

Our investigator believed these transactions hadn't been authorised by Mr P or B in line with the working arrangements on B's account. However, she argued that Santander should have done more to identify these transactions as suspicious as these were out of character for B's normal account use. She asked Santander to reimburse £2,000 to B, along with 8% simple interest being half of B's loss after the first payment.

Santander argued that they couldn't identify remote access when Mr P says there was, so they believed he'd authorised these payments. They continued to feel this was a civil matter and expected Mr P to reimburse B.

B's complaint has been referred to an ombudsman.

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.

Having done so, I've reached a different outcome to this complaint. I've already explained my thinking to Santander but confirm this below. I've not separately confirmed this outcome to B, but I can't imagine they will be disappointed with this revised conclusion.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

When considering what is fair and reasonable, 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 have been good industry practice at the relevant time.

The regulations which are relevant to B's complaint are the Payment Services Regulations 2017 (PSRs). These primarily require banks and financial institutions to refund customers if they didn't make or authorise payments themselves. There are exceptions to this and that would include if the customer had acted with gross negligence or intent to allow any security details – including the card and PIN or online banking details – to be used by someone else.

Our investigator wasn't convinced that Mr P – in line with his status as authorised signatory for B's account – had authorised the three disputed payments of £1,800, £2,000 and £2,000. Santander has pushed back on this most strongly as they believe they were authorised. I am going to accept their argument which confirms *"there is no remote access detected"* and *"the IP number used for the transaction was used on 103 other unique days"*.

So, if I accept these three disputed transactions were authorised after, as Santander agrees, Mr P *"was the victim a cruel scam"*, I have to consider whether the terms of the Contingent Reimbursement Model code which was in force from 2019 to 2024 come into play. This was in operation at the time of these disputed payments.

B is a charitable organisation. I've reviewed their accounts for 2023. I'm satisfied that their legal status means that they are covered by the CRM code.

Santander has argued that the CRM code doesn't apply on two grounds:

- That Mr P and B *"are not separate entities in the terms that they are linked by his name as authorised signatory"* so the payments from B's account to Mr P's crypto account were me-to-me payments.
- This is a civil dispute between B and Mr P.

I disagree and have already confirmed this to Santander.

Mr P and B are clearly different legal entities. Mr P is a personal customer, and B is a charitable organisation with a specific legal status. There's no doubt these are not the same. Whilst Mr P was an authorised signatory on B's account, this does not mean they are the same legal entities. I'm satisfied B suffered a financial loss as soon as those transactions left their account, regardless of where they were sent. I don't consider the transactions can be considered as me-to-me payments.

I've considered whether this is a civil dispute both in terms of what the CRM code states and the difference between civil and criminal cases. The CRM code states the following are excluded:

"private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier"

This doesn't apply to this case, as the customer is B in this case who has clearly had money taken from their account, that they would not ordinarily have consented to.

It's also clear that criminal law applies to fraud cases, which this clearly is.

Santander is already aware that I will be asking them to refund B in full and has had an opportunity to make further comments. I also gave them an opportunity to resolve this case informally but they declined to do so.

I have reviewed whether Santander should have done more when considering the transactions that were made from B's account. I can see from B's annual financial statement for 2023 that this fraud was the equivalent to two-fifths of all payments made that year. On that basis I'd have expected Santander to have done more. That, however, isn't the basis on which I'm asking them to refund B.

As I am satisfied that the CRM code applies to this complaint, Santander should therefore refund in full as well as include 8% simple interest a year.

My final decision

For the reasons given, my final decision is to instruct Santander UK plc to:

- Refund £5,800 to B; and
- Add 8% simple interest to that amount from 7 December 2023 to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 21 October 2025.

Sandra Quinn
Ombudsman