

The complaint

Miss H complains Santander UK Plc ('Santander') won't reimburse over £13,000 that was lost when she fell victim to a cryptocurrency investment scam.

What happened

In early 2022, Miss H came across an advertisement online that caught her eye and was immediately interested in the investment opportunity being offered by the company T. She said that upon accessing their website, she was impressed with its detailed and technical nature. The website outlined various security regulations which added to its legitimacy.

Miss H says that as cryptocurrency and other similar investment opportunities are mostly unregulated in the UK, she struggled to conduct any further due diligence checks. And as there was no negative information online about T, she felt confident proceeding. After completing an initial questionnaire and providing her personal details, she says the scammers then contacted her by phone where the investment process was discussed.

Miss H was instructed to access the company website and open an account independently. This made her feel secure about her money and she believed she was the only one with access to it. She was advised to download remote access software and was told by the scammers this would allow them to provide assistance and ensure her investments were profitable. As her profits increased, she became more and more confident in the scammers advice and invested more money.

Miss H says it was when she became unable to withdraw her earnings, the scammer informed her she needed to pay fees. She says the scammer made it seem like it was essential to pay this fee; otherwise, she would lose all of her profits. Miss H thought she had a strong bond with the scammer and believed they were trying to help her. In May 2022 Miss H made a payment for this fee. Following this, Miss H lost all communication with the scammer and realised she'd been scammed.

In September 2022 Miss H contacted Santander about what had happened, but there's no indication she made a formal complaint at this time. Santander carried out an investigation into her claim and advised Miss H it was unable to provide her with a refund. It said her claim was not reviewed as part of the authorised push payment contingent reimbursement process which launched in May 2019. What Santander are referring to here is the Contingent Reimbursement Model (CRM) code and it didn't apply in Miss H's because the faster payments were transfers to an account in her own name. And some of the payments were made by debit card which aren't covered by the code.

In April 2024, Miss H raised a complaint with Santander through a professional representative. It said Santander failed to protect Miss H from this type of scam and had it provided her with education at some point during the scam, she would not have continued corresponding with the scammer or processing payments.

Santander issued its final response explaining it was unable to uphold Miss H's complaint. It said it had reviewed the decision originally made in September 2022 and was satisfied it had reached the correct outcome to her claim at the time.

Miss H's complaint was brought to this service as a result. Our investigator upheld the complaint. She was persuaded Miss H's payments were uncharacteristic and a clear deviation from how the account was usually run. She said Santander ought to have intervened before processing the fourth disputed transaction of £3,000. And although Santander asked Miss H what the payment purpose was, it didn't look like she was presented with any warnings or questioned further. Our investigator said had Santander intervened appropriately, this would've made a difference and a warning would've resonated with Miss H and any further losses could've been prevented. She also explained she didn't think Miss H acted unreasonably and she'd taken appropriate measures to satisfy herself she wasn't falling victim to a scam. To put things right, our investigator explained Santander should provide a refund from the fourth disputed transaction plus 8% simple interest.

Miss H accepted the investigator's findings. But Santander disagreed. It said it shouldn't be held liable because there is no loss from Santander's perspective. It's not until the funds arrive at Miss H's own cryptocurrency account, that she then sends the funds onto the fraudster. Santander said Miss H's claim therefore lies with the cryptocurrency merchant who are a genuine financial institute.

Our investigator wrote further to both parties. She explained whilst the payment was being made to Miss H's own account, Santander should have recognised there's a risk she was falling victim to financial harm and ought to have intervened. Our investigator also explained upon receipt of further evidence from Miss H, she had identified a credit received during the period of the scam. Whilst our investigator's position remained the same, she explained this credit can be deducted from the settlement originally recommended.

As the matter couldn't be resolved between both parties, the case has been referred to an Ombudsman for a decision.

I issued my provisional decision on 30 May 2025. In this, I said:

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'm not minded to uphold this complaint. I realise this will come as a disappointment to Miss H, but for the reasons I'll go on to explain I don't think Santander acted unfairly or unreasonably.

Before I proceed with my findings, I want to note that I've identified another payment (during the period of the reported disputed transactions) which appear to form a part of the scam. Whilst our investigator had identified a credit of £326.47, there is also another credit received to Miss H's account on 1 February 2022 for a sum of £61.42. Although this hasn't previously been mentioned, it does not impact on my findings and so I have proceeded.

	Date	Payee/ Merchant	Method	Amount	Dr/Cr
1	22/01/2022	CB Payments	Debit card payment	£975.00	Dr
	01/02/2022	Coinbase	Faster payment	£61.42	Cr

2	01/02/2022	Coinbase	Faster payment	£10.00	Dr
3	02/02/2022	Coinbase	Faster payment	£500.00	Dr
4	11/02/2022	Coinbase	Faster payment	£3,000.00	Dr
5	01/03/2022	CB Payments	Debit card payment	£1,000.00	Dr
6	03/03/2022	Coinbase	Faster payment	£2,500.00	Dr
	11/03/2022	Coinbase	Faster payment	£326.47	Cr
7	31/03/2022	Coinbase	Faster payment	£1,000.00	Dr
8	22/04/2022	Coinbase	Faster payment	£1,000.00	Dr
9	10/05/2022	Coinbase	Faster payment	£3,800.00	Dr
			Total loss	£13,397.11	Dr

It isn't in dispute Miss H authorised the transactions in question. She is therefore presumed liable for the loss in the first instance. I should clarify in this case, as Santander has said, the CRM code doesn't apply. 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 code doesn't apply in this case. That is because it applies to authorised push payments made to another UK beneficiary – and in this case, the faster payments were made to Miss H's own account with a crypto currency exchange. And some payments were made by debit card – which also aren't covered by the code, because they are pull payments rather than push payments.

However, Santander is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to be good industry practice at the time, that it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

There is a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments. So, the starting point for me is to consider whether any of Miss H's payment instructions were particularly unusual or uncharacteristic, taking account of her usual usage.

I've reviewed Miss H's account statements from January 2021 and May 2022. Whilst the disputed transactions were not completely in-keeping with her day-to-day spending, I can't reasonably conclude they were sufficiently unusual or suspicious in appearance that Santander ought to have intervened. By the time Miss H made the fourth disputed transaction of £3,000, this was the third time she was making a payment to this payee. And the earlier sequence of the disputed transactions were not made in quick succession either. They took place over eleven days. Furthermore, the disputed transaction of £3,000 didn't significantly deplete the available balance on the account. Miss H confirmed the funds received into her account were from her partner and her account history shows she had also received credits from him in the months prior to the disputed transactions. So that in itself was not unusual. And it's certainly not unusual for an account holder to occasionally make payments that are higher than their previous spending.

I understand Santander requested further information from Miss H in relation to the payment purpose of the £3,000 disputed transaction. But taking into account the considerations I've set out above and the response provided by Miss H about the

payment purpose i.e. Transfer to an Investment, I don't think there was any reasonable cause for Santander to suspect Miss H was at a heightened risk of financial harm, such that it should have made any further enquiries and spoken to her. Miss H's disputed transactions occurred in early 2022 where cryptocurrency investment scams were less prevalent. I'm therefore satisfied the checks carried out by Santander were proportionate to the risk presented in these circumstances, and I don't consider it would've been required to have intervened further.

I've seen no evidence Miss H was presented with any scam warning at the time she was asked to provide a payment purpose. But even if I were satisfied Santander ought to have provided her with one, I'm not persuaded this would've ultimately revealed the scam. I say this because from Miss H's testimony, she confirmed she was looking for an investment opportunity online and was contacted after she submitted her information to T – so she wasn't cold called nor contacted out of the blue. She also explains having carried out her due diligence at the time in acknowledgement that cryptocurrency and other similar investment opportunities are mostly unregulated in the UK and that she had no reason to doubt the initial advertisement or the company website. And with the absence of any negative information online about T, she felt confident proceeding.

For completeness I've also considered whether Santander ought to have made further enquiries of Miss H in relation to later payments. I'm not satisfied they ought to have. I say this because the subsequent payments decrease in value and they aren't made in quick succession. Rather they are carried out over a further period of two months. So, whilst the largest disputed transaction was the last one, by this point in the scam the payee was well established on Miss H's account and was in keeping with how she'd operated the account in the months prior.

Whilst Miss H has undoubtedly been the victim of a cruel scam, I don't find there were any failings on Santander's part that would lead me to uphold this complaint.

I've also thought about what Santander did once informed that Miss H's payments had been made as the result of a scam. Miss H transferred/ made payments to an account in her name. From there, she purchased crypto assets and moved them into a wallet address of her choosing (albeit upon the scammers instructions). As such there wouldn't have been any realistic prospect of recovery for any of the disputed transactions.

I invited further comments from both parties.

Santander confirmed it had nothing further to add.

Miss H's representatives responded with comments. They said they were confused as to how the outcome constitutes a reasonable and fair decision as within the year prior to the disputed payments, her highest value payment was for the total of £250. And the disputed payments show a pattern of higher value payments to known crypto exchanges which were clearly out of character compared to her usual account activity. The representatives also disagreed that any further intervention wouldn't have made a difference. Miss H was acting in good faith with no intention to be scammed. And as there was no intervention nor any evidence to show an intervention would have been unsuccessful, they have asked for my decision to be reconsidered.

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'd like to thank Miss H's representatives for their comments. I appreciate the strength of feelings they have on the matter. But in making my provisional findings, I had already considered their point about the account activity on Miss H's Santander account. In the decision, I also explained why I wasn't persuaded a warning wouldn't have revealed the scam.

As such, the appeal submitted by Miss H's representative's doesn't change the outcome I reached in my provisional decision.

My final decision

For the reasons given above, and in my provisional decision, my final decision is that I don't 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 24 July 2025.

Mark O'Connor
Ombudsman