

## The complaint

Mr B is unhappy Santander UK Plc ('Santander') hasn't refunded him, in full, the money he lost after falling victim to an authorised push payment ('APP') impersonation scam.

## What happened

The details of this case are well-known to both parties, so I don't need to repeat them at length here. In summary, Mr B fell victim to an impersonation scam.

In December 2023, Mr B thought he had received a text from a genuine delivery company. As Mr B was expecting a parcel, he clicked on the link provided to rearrange delivery and in doing so he was also required to provide his bank details as part of the process. Sadly, this was a 'phishing text scam' designed to obtain Mr B's details. A couple of days later Mr B received a call from someone purporting to be from Santander. Mr B was told that there had been attempted fraud on his account, but his money was safe. Mr B was then asked if he could help with an investigation as there was internal fraud within Santander. As a result, Mr B made three payments to the account details he had been provided. Mr B was told to tell Santander that the payments were for the purchase of a campervan.

Mr B made the following payments as part of the scam:

Date	Time	Type of payment	Amount
22 December 2023	09:52	Faster payment	£7,000
22 December 2023	10:35	Faster payment	£3,000
22 December 2023	11:08	Faster payment	£3,500
		<b>Total</b>	<b>£13,500</b>

Mr B realised he had been scammed when he spoke to his brother the next day. Mr B contacted Santander to report the matter. Santander recovered £741.82 from the receiving bank (the bank where Mr B had sent the funds).

Santander also considered whether Mr B was due a refund. Santander considered the case under the Lending Standards Board's Contingent Reimbursement Model Code ('CRM Code'). This was a voluntary code which it was a signatory of at the time the payments were made. The CRM Code required firms to reimburse customers who had been the victims of APP scams like this in all but a limited number of circumstances.

Santander reimbursed Mr B 50% of his losses (£6,750) as it considered it could have done more to protect Mr B. But Santander also says one of the exceptions to reimbursement under the CRM Code applies, in that it believes Mr B could have done more to prevent the scam and didn't take reasonable steps to check that the person or organisation he paid was whom he was expecting to pay.

Mr B brought his complaint to this service and one of our Investigator's considered it. They didn't uphold Mr B's complaint and considered Santander was fair in its answering of the complaint.

Mr B didn't agree with the Investigator's opinion and so the complaint was passed to me for a final decision.

I issued a provisional decision on 12 June 2025. In short, I reached the same conclusion as our Investigator but expanded on and provided more detail around the reasoning.

Both parties had until 26 June 2025 in which to respond to my provisional decision and provide any more comments and evidence they wished for me to consider.

Santander confirmed it had received my provisional decision and accepted the findings I had reached.

Mr B confirmed receipt, but advised he had nothing further to add.

### **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, and as neither party has given me anything else to consider, I see no reason to depart from my provisional findings. I'll now confirm those findings below:

*"I'm sorry to disappoint Mr B but I'm not intending on upholding his complaint. I know he's been the victim of a cruel scam, and I don't doubt that these events have had a significant impact on him. But I don't believe Santander has acted unfairly or unreasonably in its answering of the complaint and I think it's decision to refund Mr B 50% of his loss is fair. I'll explain why.*

*There's no dispute that Mr B authorised the payments that are the subject of this complaint, even though he did so as a result of being deceived by fraudsters. Broadly speaking, under the account terms and conditions and the Payment Service Regulations 2017, he would normally be liable for those payments. But that isn't the end of the story.*

*Where a customer has been the victim of a scam it may be appropriate for the bank to reimburse the customer, even though payments have been properly authorised. Of particular relevance to the question of what is fair and reasonable in this case is the CRM Code.*

*The CRM Code required Firms to reimburse customers who had been the victims of APP scams like this, in all but a limited number of circumstances.*

*Under the CRM Code, a Sending Firm (here that is Santander) may choose not to reimburse a customer if it can establish that\*:*

- The customer ignored what the CRM Code refers to as an "Effective Warning" by failing to take appropriate action in response to such an effective warning.*
- The customer made payments without having a reasonable basis for believing that: the payee was the person the Customer was expecting to pay; the payment was for genuine goods or services; and/or the person or business with whom they transacted was legitimate.*

*\*Further exceptions outlined in the CRM Code do not apply to this case.*

*In this case, Santander accepted 50% liability of Mr B's claim to acknowledge it didn't do enough to protect Mr B. However, I think Santander has been able to establish that it may choose not to fully reimburse Mr B under the terms of the CRM Code. I'm persuaded one of the listed exceptions to reimbursement under the provisions of the CRM Code applies.*

*Taking into account all of the circumstances of this case, including the characteristics and complexity of the scam, I don't think Mr B had a reasonable basis for believing that the payee was the person Mr B was expecting to pay, the payment was for genuine goods or services; and/or the person or business with whom they transacted was legitimate.*

*In order to determine whether this exception to reimbursement applies, I must ask if he made the payment he did whilst having a reasonable basis for belief that all was genuine. Having carefully reviewed everything, I'm afraid I don't find that's the case. I'll explain why.*

*The initial contact from the scammer was to inform Mr B that there had been attempted fraud on his account, but that his funds were safe. And this subsequently led to the scammer asking Mr B if he could help with an investigation to stop internal fraud.*

*I'm mindful here that Mr B was contacted from an unknown number. Mr B says that he was told by the scammer that they were undercover – so didn't question this as he believed that if they were undercover, they would be using an unknown number. So, Mr B didn't seek to verify who he was actually speaking with and whether it was a legitimate call. Sadly, it seems to me that Mr B accepted everything he was told at face value and also didn't question what he was being asked to do. Receiving a call from an unknown number, from someone who purported to be undercover and being asked to take part in helping catch an employee who was carrying out internal fraud ought to have been concerning to Mr B. Mr B has said he likes to help people – and is very literal with things, but I don't find that, in and of itself, means Mr B shouldn't have been alive to the fact that what he was being asked to do was unusual.*

*Mr B was contacted by the scammer and made the initial payment of £7,000 on 21 December 2023. But this payment was held by Santander. And Mr B had to speak to it about the payment which he did on 22 December 2023. So, there was time for Mr B to reflect on what he was being asked to do, and he had the opportunity to speak with family or friends about things also.*

*When Mr B spoke with Santander about the payment, he had been given a cover story, that the payment was for the purchase of a campervan, and he had been given some detail by the scammer as to what to say to Santander if questioned. While Santander has accepted it could have done more to protect Mr B, I am mindful that in speaking with Mr B, Santander did ask Mr B to call back with the details of the licence plate of the campervan as part of its checks. The reason I find this to be important is that Mr B spoke with different Santander employees and the questions being asked of him about the purpose of the payment was to ensure he wasn't at risk of financial harm from possible fraud. When Mr B called back and spoke to Santander (in order to provide the licence plate of the campervan he had advised he was purchasing), the adviser explained:*

*Santander adviser: "...criminals can be really convincing as well, and they ask our customers to mislead the bank to avoid detection. So, if anyone has asked you to lie or mis-lead the bank as part of this payment request, then that would be a scam. This could also include giving us a different payment reason to the one that's true. So, has anyone asked you to lie or mis-lead us?"*

*Mr B: "No"*

*Santander adviser: "Also, if you have been told that you need to move your money to keep it safe or as part of an investigation this would also be a scam. Has that happened to you?"*

*Mr B: "No"*

*This information / warning wasn't delivered at pace or rushed through by the Santander adviser. And from listening to the call, I note Mr B was engaged with the adviser throughout this call and importantly he was attentive and listening at the point the adviser mentioned the above. Here the adviser pointed out two elements of tactics used by scammers – and these were directly relevant to what was happening to Mr B and what he was being asked to do. So, I find that this ought to have given him pause for thought or cause for concern about what he was being asked to do and that things may not be as they seem. In short, Mr B had been called from an unknown number, was being asked to assist with an investigation, was being asked to mis-lead the bank. And he was informed by Santander that if these things were being asked of him or were happening to him – it was a scam. I think Mr B ought reasonably to have questioned matters at this time and heeded what he had been told by Santander.*

*Overall, I think there were some warnings signs that things might not be as they seem, and coupled with what he was advised by Santander ought to have led Mr B to question things further than he did.*

*I also think this is supported by Mr B's testimony, where in response to the Investigator's view, Mr B states (after making the first payment):*

*"...I did challenge the scammer as I saw £7000 had gone out of my account whilst talking to the scammer. I was concerned and thought it may be a scam. I spoke to the scammer and said 'you have just ripped me off £7000'. He then said he hadn't it was part of the process to uncover the internal fraudulent activity and that we must keep going..."*

*So, I think Mr B was aware at the time that things might not possibly be as they should be, and I also think it is reasonable to say that he ought fairly to have questioned what he was being asked to do especially when considering he was told by Santander about the hallmarks of the scam that he was actually falling victim to at the time of the first payment.*

*With all of this in mind, while I am sorry that Mr B fell victim to a scam, I don't find that Mr B had a reasonable basis for believing that the payee was the person Mr B was expecting to pay, the payment was for genuine goods or services; and/or the person or business with whom they transacted was legitimate. And so, I consider it was fair for Santander to reimburse Mr B 50% of his claim under the CRM Code – with Mr B sharing some responsibility for the loss also.*

*I have also considered whether Santander did all it could to try and recover the money Mr B lost. There was a delay on Santander's end here – and I find it could have acted sooner than it did in terms of liaising with the receiving bank. However, and unfortunately, it is common for fraudsters to withdraw or move the money on as quickly as possible. And that was the case here. The receiving bank advised Santander it had already identified and taken steps in relation to the receiving account on its end – and this was prior to Mr B reporting the matter to Santander. But the receiving bank advised Santander that the majority of funds had already been utilised or moved on prior to 23 December 2023, and only some funds remained that it was able to secure. These funds were subsequently returned to Mr B. So, despite Santander's failings here with its delay in contacting the receiving bank, it wouldn't have resulted in any further funds being secured and returned to Mr B – as the majority had unfortunately already been moved on and the receiving bank had already secured the remaining.*

*I would like to add, the receiving bank has recently advised our service there are some further funds that have been subsequently secured from the receiving account totaling £58.67 which belong to Mr B. And these funds are now available to be returned to Mr B. Our Investigator can inform the receiving bank that the funds can be returned to Mr B's Santander account if Mr B is happy with this. Alternatively, if Mr B wishes the funds to be returned to a different account he can provide those details, and our Investigator can in turn pass them on to the receiving bank."*

### **My final decision**

For the reasons given above and in my provisional decision, I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 25 July 2025.

Matthew Horner  
**Ombudsman**