

The complaint

Mr F complains that Santander UK Plc (“Santander”) won’t refund payment he made as part of a scam.

What happened

The background to this complaint is well known to both parties, so I won’t repeat it in detail here. But in summary, I understand it to be as follows.

In May 2024, a building company (further referred to as “Company A”) began working on Mr F’s property.

Given the work that had been carried out, and the small amount of work remaining, Mr F made a payment of £20,500 to Company A in June 2024.

Following the payment, Company A tidied up the site as normal and confirmed they’d return in the next few days to complete the work. Unfortunately, Company A didn’t return to Mr F’s property to complete the work and eventually ceased communicating with him.

Given the lack of communication from Company A, Mr F asked a different company to inspect the works that’d been carried out. Mr F was advised that there were several major defects with the works, and it hadn’t been completed to a satisfactory standard.

Mr F contacted Santander to request reimbursement of his payment to Company A as he felt he’d been the victim of a scam. Santander investigated the matter but declined to reimburse Mr F on the basis that this was a civil dispute between him and Company A. Unhappy with this response, Mr F referred his complaint to our service.

An investigator looked into Mr F’s complaint but did not uphold it. The investigator felt that Santander hadn’t acted incorrectly in declining Mr F’s request for reimbursement as they agreed this was a civil dispute between Mr F and Company A.

Mr F disagreed with the investigator’s findings as he believed Company A had set out to defraud him.

As the complaint couldn’t be resolved by the investigator it has been passed to me for a decision.

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.

Mr F has provided detailed submissions to our service in relation to this complaint. In keeping with our role as an informal dispute resolution service, I will focus here on the points I find to be material to the outcome of Mr F’s complaint. This is not meant to be a courtesy to Mr F and I want to assure him I have considered everything he has submitted carefully.

In deciding what's fair and reasonable in all the circumstances of a complaint, 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 be good industry practice at the time.

In broad terms, the starting position at law is that a bank such as Santander is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Here it's not in dispute that the payment was authorised, so the starting position is that Santander isn't liable for the transactions.

There are, however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Santander also has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Santander acted fairly and reasonably in its dealings with Mr F.

Has Mr F fallen victim to a scam?

Santander are a signatory of the Contingent Reimbursement Model (CRM) Code which requires firms to reimburse customers who have been the victims of authorised push payment (APP) scams in all but a limited number of circumstances.

The relevant part of the CRM Code definition of an APP scam requires that the payment was made to: "*another person for what they believed were legitimate purposes but which were in fact fraudulent.*"

The Code also explains that it does not apply to '*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.*

In order to reach my decision on this complaint, I've considered the purpose for which Mr F made, and Company A received, the payment. And, if there is a significant difference in these purposes, whether I can be satisfied that this difference was as a result of dishonest deception.

It's clear that Mr F made the payment in order for works to be carried out on his property. So, I've gone on to consider what purpose Company A had in mind and whether that was in line with the purpose Mr F made the payment.

Much of Mr F's submissions relate to the standard of work that has been carried out at his property by Company A and the work that is required to rectify the issues caused. But, the

amount of work that has been carried out and the period of time this occurred over suggests that Company A did have the intention of completing the work Mr F paid for.

Furthermore, Mr F made the disputed payment to Company A after they'd carried out a substantial amount of work on his property over the course of roughly one month. The fact that the work was carried out prior to any payments further suggests that Company A did intend on completing it.

I accept that the evidence shows that some of the work was not completed to a satisfactory standard, but, as stated above, the CRM Code does not apply to disputes regarding the standard of works and whether they are defective in some way.

I can also see that some of the work appears to be outstanding. But, again, this isn't enough to show Company A didn't have the intention of carrying it out.

I've reviewed evidence and information our service has received from the beneficiary bank which received Mr F's payment.

I'm limited as to what information I can share with Mr F under data protection laws. But the beneficiary bank has confirmed it hasn't received any other fraud reports for the recipient he paid. I can also see Company A were registered on Companies House for two years prior to the payment Mr F made. This information indicates that Company A were operating legitimately at the time of Mr F's payment.

Ultimately, it appears as though Mr F made a payment for works to be completed on his property and the evidence supplied to our service doesn't sufficiently demonstrate that Company A didn't have the intention on carry out those works. Rather, the evidence suggests that there is a dispute regarding the quality and quantity of work carried out by Company A.

Lastly, I've considered whether Santander could've done any more at the time of the payment in order to prevent Mr F's loss. Having listened to the call which took place prior to the release of the payment, I don't think there was any information available which would've suggested that Mr F might be at risk of financial harm. As that's the case, I don't think Santander could've prevented Mr F's loss at the time of the payment.

I've every sympathy for Mr F as it's clear that this situation has had a large impact on him. But, for the reasons stated above, I don't believe that the payment he made to Company A meets the definition of an APP scam under the CRM Code. I'm therefore unable to say that Santander has acted incorrectly in declining Mr F's claim or that they should reimburse his losses.

I understand that there is an ongoing police investigation into the matter. Should any material new evidence come to light at a later date, for example from Trading Standards or the police, Mr F can ask Santander to reconsider his claim.

My final decision

My final decision is that I do not uphold this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 29 December 2025.

Billy Wyatt

Ombudsman