

## **The complaint**

Mr A complains that Santander UK Plc ('Santander') won't refund losses he incurred 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.

Mr A began corresponding with a friend (further referred to as 'Person A') via social media. After some conversation, Person A explained that he had been making money by buying and selling various products online as well as trading. Mr A was then persuaded to invest with Person A and made payments to them between 19 & 22 April 2024.

Mr A declined Person A's requests for further investment and was then blocked from communicating with him. It was at this stage Mr A realised he had been the victim of a scam and contacted Santander to request they refund his losses.

Santander investigated the matter but found that this was a civil dispute between Mr A and Person A and so declined to refund him on that basis. Unhappy with this response, Mr A referred his complaint to our service.

An investigator looked into Mr A's complaint but didn't uphold it. They disagreed with Santander and felt Mr A's fraud claim should've been considered under the Contingent Reimbursement Model Code (CRM Code). Under the CRM Code, the investigator felt Mr A did not take sufficient steps to confirm that he was corresponding with his genuine friend and that Santander were not liable to refund his loss.

Mr A disagreed with the investigator's outcome. As the complaint couldn't be resolved by the investigator it was passed to me for a decision.

Having reviewed the case, I reached the same answer as the investigator but for slightly different reasoning. So, I issued a provisional decision giving both parties a chance to provide any further evidence or arguments they wanted to be considered before I issued a final decision.

## **What I provisionally decided – and why**

In my provisional decision I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

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 payments were authorised, so the starting position is that Santander isn't liable for the transactions.

Santander are a signatory of the Contingent Reimbursement Model (CRM) Code which requires firms to reimburse customers who have been the victims of 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 A made, and Person A received, the payments. 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.

Mr A has explained that he was tricked into making the payments after Person A's social media account was hacked. Mr A says he discovered this was the case after he received messages from mutual friends of Person A. This evidence should still be available on Mr A's social media account even if he has been blocked from communicating with Person A. But, importantly, Mr A has failed to provide any evidence that Person A's social media account had been hacked or that he received reports of this from mutual friends, as he claims. This makes it difficult for me to say it's more likely than not that Person A's social media account was hacked.

Santander's internal notes show that, when reporting the scam, Mr A explained that he made the payments to his friend's company in order to purchase car parts which would then be exported to Africa.

However, having read the correspondence between Mr A and Person A, which do not appear to be full copies of the correspondence between the two parties, the discussion appears to focus on investments of another type. It seems unusual that the purpose of the payments explained to Santander is different from the conversations Mr A was having with Person A.

I can also see that Mr A confirmed to Santander that he and Person A had seen each other around Christmas time yet explained to our service that he hadn't seen Person A in around 20 years. The named contact in the messages between Mr A and Person A also differs from the name in the report Mr A raised with Santander.

Based on everything I've seen, I believe the contradictory testimony and lack of evidence provided by Mr A means that he hasn't been able to demonstrate that he has been the victim of a scam as defined by the CRM Code. As I can't fairly say he made payments for what he

believed was a legitimate purpose, but was in fact fraudulent. Because of this, I don't think it would be fair to ask Santander to refund Mr A's payments under the Code.

Lastly, I've considered whether Santander could've done any more at the time of the payments in order to prevent Mr A's loss. As stated earlier in my decision, as all parties accept the payments were authorised 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 A. Santander say they spoke to Mr A before releasing the payment of £450 on 21 April 2024. They've also said Mr A was able to answer the questions asked to satisfy them that the transaction didn't form part of a scam, and so the payment was released.

As I'm not persuaded Mr A has evidenced he has been the victim of a scam, I can't say that Santander missed an opportunity to prevent his loss during any intervention made prior to releasing the payment.

Overall, I'm not persuaded that Mr A has sufficiently demonstrated he has fallen victim to an APP scam as defined by the CRM Code, based on the evidence available.

### **My provisional decision**

My provisional decision was that I didn't intend to uphold this complaint against Santander UK Plc.

### **Responses to my provisional decision**

Santander responded to say they had received my provisional decision and had nothing further to add.

Our service received no response from Mr A in response to my provisional decision within the time limit given.

Under the Dispute Resolution Rules (found in the Financial Conduct Authority's Handbook), DISP 3.5.15 says if a complainant (in this case, Mr A) fails to comply with a time limit, the ombudsman may proceed with the consideration of the complaint.

As the deadline for responses to my provisional decision has expired, I'm going to proceed with issuing my final 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.

As no new evidence or arguments have been put forward by either party, I see no reason to reach a different answer than I did in my provisional decision.

In summary, I'm not persuaded that Mr A has sufficiently demonstrated he has fallen victim to an APP scam as defined by the CRM Code, based on the evidence available. Further to this, I can't say that Santander missed an opportunity to prevent Mr A's loss prior to the payments given that he hasn't demonstrated he is the victim of an APP scam as defined by the CRM Code.

### **My final decision**

My final decision is that I don't uphold this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 30 July 2025.

Billy Wyatt  
**Ombudsman**