

The complaint

Mr R complains that Santander UK Plc failed to protect him from falling victim to a scam. Mr R also complains that Santander has refused to reimburse his losses.

What happened

Mr R's explained that he met an individual on a dating website and was asked to move their conversation over to a messaging service. Mr R's confirmed he believed there was a romantic connection between him and the individual. During their process of their chats, Mr R and the third party started to talk about investing in cryptocurrency and he was given information about a trading platform that he downloaded. Mr R also set up an account with a cryptocurrency exchange I'll refer to as C.

Mr R made an initial set of Apple Pay payments to C as follows:

No.	Method	Date	Amount	
1	Apple Pay	13/07/2024	£90.40	
2	Apple Pay	19/07/2024	£16.48	
3	Apple Pay	19/07/2024	163.86	
4	Apple Pay	19/07/2024	£600	blocked
5	Apple Pay	21/07/2024	£34.46	
6	Apple Pay	21/07/2024	£47.01	
7	Apple Pay	21/07/2024	£32.48	

Mr R's payment of £600 attempted on 19 July 2024 was blocked by Santander and his account was restricted. Mr R had a number of conversations with Santander on 19 July 2024 to discuss the payment he attempted. During the calls, the agent Mr R spoke with asked him various questions about the payment he was trying to make, including whether he was being directed by a third party. Mr R confirmed he had discussed investing with a friend who was helping him. The agent asked Mr R whether he knew the friend before they discussed investing in cryptocurrency and Mr R confirmed that he did. In addition, the agent asked whether Mr R had ever met the friend in person and Mr R confirmed he had not. Santander's agent also asked lots of other questions concerning how the receiving account with C worked. After Santander spoke with Mr R it agreed to remove the account restrictions.

Mr R went on to make the following payments to C via faster payment:

No.	Method	Date	Amount
8	Faster payment	23/07/2024	£10
9	Faster payment	23/07/2024	£740
10	Faster payment	24/07/2024	£330
11	Faster payment	25/07/2024	£1,700
12	Faster payment	31/07/2024	£1,200

13	Faster payment	12/08/2024	£3,000
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Once the funds credited Mr R's account with C it was used to purchase cryptocurrency. The cryptocurrency was then transferred into a wallet that Mr R thought was being used to trade with via an online platform. Over the course of the period Mr R thought he was investing he received guidance from individuals who claimed to work on behalf of the investment platform he'd transferred his cryptocurrency to. On 12 August 2024 Mr R used the online chat function to ask about making a withdrawal as his investments appeared to have profited. But Mr R was told he'd need to pay an additional amount to cover tax that was due before his investments could be released. Mr R went on to transfer a further £3,000 to C that was then converted to cryptocurrency and forwarded to the trading platform.

Ultimately, Mr R was unable to withdraw any of the funds he believed were held on the investment platform and realised he'd been scammed. Mr R asked Santander to investigate and also raised a complaint. Santander didn't agree to reimburse Mr R's losses and didn't uphold his complaint.

An investigator at this service looked at Mr R's complaint. They initially said that the payments Mr R was making from his bank account were unusual but that the initial transactions were of sufficiently low amounts that they wouldn't have expected Santander to step in. The investigator said Santander should've intervened before making the £3,000 payment on 12 August 2024 and that, if it had done so and asked Mr R targeted questions, it's likely it would've uncovered the scam. As a result, the investigator thought Santander would've declined to make the payment. The investigator asked Santander to refund 50% of the £3,000 payment plus interest. The investigator thought Mr R should also bear some responsibility for his loss.

Santander responded and pointed to the blocked Apple Pay payment for £600 on 19 July 2024. Santander provided copies of its call recordings with Mr R and said its agent had asked detailed questions about the circumstances under which he was investing and the individuals involved. The investigator listened to Santander's calls with Mr R and said they thought it had missed an earlier opportunity to intervene and provide guidance about scam risks. The investigator noted that Mr R confirmed he had never met the friend who was helping him invest and that the agent didn't take this part of the conversation further. The investigator amended their recommendations and asked Santander to refund 50% of all payments Mr R made from payment 5 onwards.

Santander asked to appeal and said all the payments in question were sent to Mr R's own account with C and that it had received a Confirmation of Payee verification. Santander added that it was payments Mr R made from his account with C that were lost to the scammers and disagreed it had liability to reimburse any of his losses. Santander also said Mr R had given the reason "paying a friend" when instructing the payment and that by giving the wrong response it was denied the opportunity to offer further protection. As Santander asked to appeal Mr R's complaint, it's been passed to me to make 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.

It's not disputed that Mr R authorised the payments that are the subject of this complaint. So as per the Payment Services Regulations 2017 (which are the relevant regulations in place here) that means Mr R is responsible for them. That remains the case even though Mr R was the unfortunate victim of a scam. The payments in dispute here are also not covered by

the Contingent Reimbursement Model (CRM) code, as they were payments to Mr R's own account with C in order to convert them to cryptocurrency. Because of this, Mr R is not automatically entitled to a refund. But the regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. Taking into account the law, regulatory rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Santander should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

Santander has pointed to the blocked Apple Pay payment of £600 Mr R tried to make on 19 July 2024 (payment 4) and the conversations it went on to have with him. After our investigator listened to Mr R's calls with Santander they amended their recommendation to uphold so that 50% from payment 5 onwards would be reimbursed. I've considered whether that was a fair and reasonable approach to take and have listened to the calls Mr R had with Santander.

Given Mr R's account history and circumstances of the payments he was making, I think there was a strong indication that he was at risk of harm from fraud. In my view, the intervention on 19 July 2024 should have:

- Asked probing questions to get into the detail of the payment, providing context around the questions it asked.
- Reacted to the information Mr R provided and question anything implausible or unusual.
- Been on notice that consumers might be given a "cover story", so their answers shouldn't always be taken at face-value – challenging them where there are reasons to think they might not be truthful.
- Provided a warning specific to cryptocurrency investments scams, tackling some of the key features of this type of scam in a way which is understandable to consumers to help dispel any false or misleading claims made by the scammers.
- Asked some reasonable basic questions concerning Mr R's intentions and provided warnings tackling the key features of investments scams.

In my view, the agent Mr R spoke with on 19 July 2024 was overly focused on how the funding arrangements for his account with C worked during their conversations. Santander's agent asked a lot of questions concerning how the account with C operated and how the funds Mr R was sending to it would be paid in. But I think the agent missed clear chances to help identify Mr R was being scammed when they spoke with him. The agent was concerned about the risk for fraud against Mr R and mentioned that on several occasions. Mr R gave open and honest responses to the questions he was asked. And Mr R specifically confirmed he had never met the person he was receiving investment help from. But the agent didn't ask any questions about where the money was being sent once received in his account with C or ask questions that would've helped him identify whether he was the victim of a scam.

In my view, if Santander had asked relevant questions and provided more targeted warnings to Mr R it's more likely than not its intervention on 19 July 2024 would've helped identify he had fallen victim to a scam. And I think, at that stage, Mr R would've then realised he wasn't making payments to a genuine investment platform and decided not to proceed further. As a result, I think it's fair that Santander bears some responsibility for Mr R's losses from 19 July 2024 onwards.

In reaching my decision about what's fair and reasonable, I've taken into account that the payments which were ultimately lost to the scammers were paid into an account in Mr R's name with C. But, as noted above I'm satisfied Santander should have recognised that Mr R may have been at risk of financial harm from fraud when he made the £600 payment on 19 July 2024. And I'm satisfied that if Santander had intervened proportionately, it would most likely have prevented the loss Mr R has suffered. The fact the money used to fund that scam was initially sent to C does not alter that view and I think Santander can fairly be held responsible for Mr R's losses in the circumstances. I don't think there is any point of law or principle that says a complaint should only be considered against either the firm that is the origin of the funds or the point of loss.

Overall, I'm satisfied it's fair to hold Santander liable for part of Mr R's losses from payment 5 onwards (subject to a deduction for Mr R's own contribution which I will consider below).

I've considered whether Mr R should bear some responsibility for the loss here. In my view, a deduction of 50% in recognition of Mr R's actions is reasonable. There are two key reasons for this. Mr R was willing to invest based on a recommendation from a contact he'd met via a dating app who referred him to the scammers. And whilst Mr R told the agent he spoke with he carried out some research, I can hear that he was asked to carry out additional checks before deciding whether to invest. Overall, I haven't been persuaded Mr R acted reasonably by proceeding without further research and on the basis of advice he was given by a third party he'd never met. As a result, I intend to instruct Santander to reimburse Mr R for 50% of payment 5 onwards plus interest.

I've gone on to think about whether Santander could've done more to retrieve Mr R's funds. Payments 1-7 were all made via a debit card using Apple Pay so had the potential to be covered by chargeback protection. But as Mr R's payments were all made to an account in his name with C and were completed in line with his instructions, I'm satisfied a chargeback claim would have been unlikely to have succeeded.

The remaining payments were made via faster payment and were all completed as instructed and paid to Mr R's account with C. It was when the funds were converted to cryptocurrency and forwarded to scammers they were lost. I haven't seen anything to suggest Santander could've done more to recover Mr R's funds.

My final decision

My decision is that I uphold Mr R's complaint in part and direct Santander UK Plc to settle by reimbursing 50% of the payments Mr R made from payment 5 onwards plus 8% simple interest to the date of settlement.

*If Santander considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr R how much it has taken off. It should also give Mr R a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 6 August 2025.

Marco Manente
Ombudsman