

The complaint

Mr S complain Santander UK Plc will not reimburse funds he lost to a scam.

Mr S is represented by a firm, but for ease I have only referred to him in this decision.

What happened

The details of this complaint are well known to both parties so I won't repeat it all again here.

Mr S made the following faster payments as a result of a cryptocurrency investment scam.

Payment	Date	Time	Payee	Value of payment
1	16 September 2024	20:04:00	Crypto provider 1 (P2P payment)	£150.00
2	18 September 2024	19:11:00	Crypto provider 1 (P2P payment)	£1,000.00
3	18 September 2024	19:18:00	Crypto provider 1 (P2P payment)	£959.00
4	20 September 2024	14:17:00	Crypto provider 1 (P2P payment)	£970.00
5	26 September 2024	11:42:00	Crypto provider 2	£100.00
6	26 September 2024	12:08:00	Crypto provider 2	£650.00
7	26 September 2024	12:18:00	Crypto provider 2	£400.00
8	02 October 2024	14:21:00	Crypto provider 2	£1,990.00
9	04 October 2024	18:25:00	Crypto provider 2	£500.00
10	08 October 2024	19:34:00	Crypto provider 2	£2,000.00
11	08 October 2024	19:34:00	Crypto provider 2	£1,000.00
12	09 October 2024	18:24:00	Crypto provider 2	£2,000.00
13	10 October 2024	19:05:00	Crypto provider 2	£2,000.00
14	11 October 2024	17:06:00	Crypto provider 2	£90.00
15	15 October 2024	14:48:00	Crypto provider 2	£2,000.00
16	15 October 2024	14:49:00	Crypto provider 2	£2,000.00
17	17 October 2024	12:45:00	Crypto provider 2	£2,000.00
18	17 October 2024	12:46:00	Crypto provider 2	£1,300.00
19	17 October 2024	13:03:00	Crypto provider 2	£64.00

In summary, Mr S received a message from someone he didn't know. After a while they introduced him to an investment opportunity which we now know was a scam. Mr S realised it had been a scam when he couldn't withdraw his funds. He reported the matter to Santander but it did not uphold his complaint or reimburse the money he lost.

Our Investigator thought the complaint should be upheld. She thought Santander ought to have intervened and warned Mr S, and had it done so, it could have prevented some of his

losses. However the Investigator thought Mr S was equally responsible for the loss he experienced.

Santander didn't accept the Investigator's opinion; it says the loss did not occur from Santander and it provided warnings associated with the payment purpose Mr S selected.

As an agreement couldn't be reached, the complaint has been passed to me for a 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.

Having done so, I have reached the same outcome as our investigator and for similar reasons.

It is common ground that Mr S authorised the payments. And in accordance with the Payment Services Regulations (2017) and the terms and conditions of the account, he is responsible for the loss. However, taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Santander should have looked at the wider circumstances surrounding the transaction before making the payment and taken steps to keep its customer's accounts safe. Therefore, it ought to look out for payments which might indicate that its customer is at risk of financial harm due to fraud.

Santander intervened on 25 September 2024 when Mr S attempted to make a payment for £1,200. Following his conversation with the agent, Mr S decided not to make the payment as he had concerns that the cryptocurrency seller might have been a fraudster. And he informed the agent he would use a different cryptocurrency provider going forward.

The subsequent payments were made to a cryptocurrency wallet in Mr S's name with a different provider. While Santander has said there was a positive confirmation of payee for these payments, it has also confirmed that the sort code for the account is on its list of known cryptocurrency related platforms.

I am satisfied that at the time the payments were being made, Santander ought fairly and reasonably to have recognised that its customers could be at an increased risk of fraud when using its services to purchase cryptocurrency and had appropriate systems for checking and providing warnings where necessary before it processed such payments. I appreciate that the payments were to an account in Mr S's name. However Santander ought reasonably to have been aware of the prevalence of multistage scams whereby funds are sent to one or more accounts in the consumer's name and under their control, before eventually being sent to a scammer and lost.

I think Santander ought to have intervened further when Mr S made a payment of £1,000 on the 8 October 2024. I say this because this was the second payment he made on the day, and considering the cumulative value of the payments made on that day and the known risks associated with cryptocurrency, I think Santander ought to have been concerned that Mr S might be at an increased risk of harm from fraud or a scam and intervened. And knowing that the payment related to the purchase of cryptocurrency I think Santander ought reasonably to have provided a tailored warning highlighting the key features and risks of the most common type of cryptocurrency related scam, a cryptocurrency investment scam. However I can't see that it did.

While I think Santander ought to have done more to protect Mr S, I must also consider

whether it could have prevented the loss had it intervened as I think it should have. The circumstances of the scam Mr S was involved in, bore many of the hallmarks of a cryptocurrency scam that I would expect Santander to highlight when giving a warning. For instance, Mr S was contacted unexpectedly and encouraged to invest by someone he hadn't met, he was guided to open cryptocurrency wallets to facilitate the scam investment. The return on the investment was unrealistic, as the platform appeared to show his investment had grown to £100,000 in a month. The scammer also tried to encourage Mr S not to reveal the true purpose of the payments he was making. Therefore I think the relevant warning would have resonated with Mr S.

Mr S was honest when he spoke to Santander on 25 September 2024 and explained that he was purchasing cryptocurrency. Importantly, Mr S followed the agent's guidance, investigated the matter and decided not to complete the transaction. He discussed it at length with the fraud agent informing them that he would no longer use the cryptocurrency platform he initially used. It is clear Mr S was receptive to the intervention by Santander and expressed gratitude for it. In light of this and on the balance of probabilities, I think it is more likely than not Mr S would have taken heed of a warning about cryptocurrency investments and stopped making the payments. Additionally, had Mr S been encouraged to research the firm it would have come to light that the Financial Conduct Authority had issued a warning regarding them. As such, I am satisfied that it would be fair to hold Santander responsible for Mr S's loss from payment 11 onwards.

I have also considered whether Mr S should bear some responsibility for the loss he incurred and I think he should. Mr S took investment advice from someone he had not met and who had contacted him out of the blue. The returns the scam platform reported were unrealistic and should have raised concerns. He did not have a history of trading or an understanding of it, considering the lengths he went to access the funds he used to finance the investment, I think he ought to have carried out his own independent research before investing further funds. Had he done so, I think he would have been concerned enough not to invest. I appreciate that Mr S didn't know it was a scam at the time, but I do not think he acted reasonably. As such, I think he ought to share equal responsibility for the loss incurred.

Santander should therefore refund 50% of the loss from Payment 11 onwards. It should also pay 8% simple interest per year on the total sum it is refunding, from the date each payment was made until the date of settlement to compensate Mr S for the loss of use of his money during this period.

My final decision

For the reasons given, my final decision is that I uphold this complaint and require Santander UK Plc to:

- Reimburse 50% of the loss from Payment 11 onwards.
- Pay 8% simple interest per year on the refund, calculated from the date the payment was made 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 S how much it's taken off. It should also give Mr S 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 S to accept or reject my decision before 12 January 2026.

Oluwatobi Balogun
Ombudsman