

## The complaint

Mr W is unhappy Santander UK Plc will not refund the money he lost as the result of an APP (authorised push payment) scam.

Mr W brought his complaint to this service through a representative. For ease of reading, I will refer solely to Mr W in this decision.

## What happened

As both parties are aware of the details of the scam, I will not repeat them in full here. In summary, Mr W fell victim to a job/task scam. He was contacted via text by a recruitment company and offered the opportunity to complete tasks online (reviewing hotels to improve their rating) to earn commission. He was told that to access the tasks he first needed to deposit funds. He did so, sending the faster payments below via a clearing bank to a digital wallet the scammer had instructed Mr W to open at a cryptocurrency exchange. From that wallet he moved the money on to the scammer's wallet. He successfully completed some tasks and received a credit of £140.91 back into his account. He realised it was a scam as the deposits

requested increased, by task 39 he was told to send £10,000. By then he had made the following payments:

payment	date	time	value
1	25-Oct-24	10:53	£20
2	27-Oct-24	13:42	£80
3	27-Oct-24	16:52	£80
4	28-Oct-24	16:30	£70
5	29-Oct-24	16:13	£1,100
6	29-Oct-24	18:36	£1,800
7	29-Oct-24	21:47	£1,800

Mr W says Santander did not do enough to protect his money. Santander says it was not the point of loss so it cannot be held liable.

Our investigator upheld Mr W's complaint in part saying Santander ought to have intervened at the time of payment 6. She thought it would most likely have broken the spell of the scam with a tailored warning. But she said that Mr W should share the liability equally though as he could have done more to check the legitimacy of the opportunity before sending money.

Mr W accepted this assessment. Santander did not so the complaint was passed to me. It said the loss to the scammer did not arise from Mr W's account at Santander, Mr W needs to contact the clearing bank so it can assess its liability.

## 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.

First to clarify, whilst it was not the point of loss, I am satisfied based on the available evidence that Santander has a case to answer here. It is with Santander that Mr W's dissatisfaction lies as he believes it ought to have protected him in the first instance. Santander argues Mr W may have a case under the new FPS (Faster Payments Scheme) mandatory reimbursement rules through the clearing bank but these rules do not cover payments to accounts in your own name and control.

There's no dispute that Mr W made and authorised the payments. I don't dispute Mr W was scammed and he wasn't making payments for the reason he thought he was, but I remain satisfied the transactions were authorised under the Payment Services Regulations 2017. However it doesn't end there.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider that by October 2024 Santander should fairly and reasonably have:

- have been monitoring accounts and any payments made or received to counter various risks, including 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 firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving, including the use of multi-stage scams involving cryptocurrency, and the different risks these can present to consumers, when deciding whether to intervene.

In this context I find Santander can be held liable in part for Mr W's loss from payment 6 onwards. I'll explain why.

The recipient account was a new payee and identifiably linked to cryptocurrency. Both these factors increased the risk. By payment six a trend had emerged typical of scams - increasing values, and the cumulative value in one day on 29 October 2024 was significant given the nature of the recipient and the fact it was out of character for Mr W's account. He typically used it for low value day-to-day expenditure and previously the highest payment out was a one-off for £1,200.

To Santander's point, I appreciate that Mr W's loss didn't materialise directly from his Santander account and he was transferring funds to a crypto account in his own name, but I still think that Santander ought to have taken a closer look at payment 6 – given the significant risk of fraud associated with cryptocurrency at the time and the growth of multi-stage scams involving cryptocurrency that the bank was, or ought to have been, aware of.

This means I need to decide what the impact of a proportionate intervention would most likely have been.

Since 31 July 2023, when the FCA's new Consumer Duty came into force, there has been

an obligation on firms to avoid foreseeable harm to customers. The Consumer Duty Finalised Guidance FG 22/5 (Paragraph 5.23) gives an example of foreseeable harm:

*“consumers becoming victims to scams relating to their financial products for example, due to a firm’s inadequate systems to detect/prevent scams or inadequate processes to design, test, tailor and monitor the effectiveness of scam warning messages presented to customers”*

This means a proportionate warning should ask a series of questions in order to try and establish the actual scam risk. And by October 2024 given the prevalence of job/task scams we’d expect a firm to have both questions and warnings tailored towards the key risks of those scams.

Had Santander intervened in this way I have found no reason to think Mr W would not have answered honestly. There is evidence in his chat with the scammer that by 29 October (after payment 5 and before payment 6) he had doubts about the opportunity saying *‘reassure me this is legitimate’*.

So in this case I am satisfied that a warning that referenced the hallmarks of job/task scams (for example - unsolicited contact, commission rates that were too good to be true, mandatory upfront payments with no documentation explaining how they would be reimbursed, small credits to create trust) would have resonated with Mr W. So he would most likely not have made payments 6 and 7.

This means I find it is fair to hold Santander liable in part for the loss from payment 6 onwards. In the circumstances of this case, which can be characterised as a continuous scam without a break in the chain of causation, I remain satisfied that the acts and omissions of Santander mean it should be held liable for the loss in part. I accept that Mr W had control of the account at the exchange that the payments were made to. However, the transfers were made at the behest of the scammer and could have been prevented by Santander. Given the chronology of the payments in the journey of the scam I am satisfied it is reasonable to hold Santander partially liable for Mr W’s losses. There was no new, intervening act that prevents me from fairly making this conclusion.

*Should Mr W bear some responsibility for the overall loss?*

I’ve considered carefully whether Mr W should hold some responsibility for his loss by way of contributory negligence. Accepting that he is not the fraud expert - that is the role of Santander, I do think he missed some clear signs that the opportunity might not be legitimate.

Having to pay money upfront to do a paid job is unusual and should have raised Mr W’s suspicions, particularly as it seems Mr W had no contractual terms of employment to review and accept, nor was there any documentation setting out the terms of the upfront payments. And to have to make such payments in cryptocurrency should also have been a red flag.

In the round, I have not seen that Mr W carried out an adequate level of independent checks to address these anomalies before going ahead. It follows I think the parties are equally liable.

I am therefore instructing Santander to refund 50% of Mr W’s loss from payment 6 and 7 after taking into account the credit he received as part of this scam.

Did Santander do what it should to try to recover Mr W's money?

As Mr W knows, he moved the funds from his digital wallet on to the scammer so there was no reasonable prospect that Santander would be able to recover any of the funds from the beneficiary account. This means I can't say there was any failing in this regard on Santander's part.

### **Putting things right**

I think that Santander should have prevented Mr W's loss from payment 6. In calculating fair redress I've taken into account that he has received some reimbursement.

As I have said, Mr W received some money back that he understood was in return for completing tasks in the early stages. Given Mr W was falling victim to a scam and his 'job' wasn't genuine, I don't think this money should be attributed to any specific payment.

Instead, I think this money should be deducted from the amount lost by apportioning it proportionately across all of the payments made to the scam. This ensures that these credits are fairly distributed.

To work this out, Santander should take into account all of the payments Mr W made to the scam (including those from other businesses), which I've set out in the table above.

In this case, the credit received equals £140.91 and the total amount paid to the scam equals £4,950. Santander should divide the credit received by the total amount paid to the scam. This gives the percentage of the loss that was received in credit. Deducting that same percentage from the value of payments 6 and 7 gives the amount that should be reimbursed for each payment.

Here the credits amount to 2.85% of the total paid to the scam. It follows that the outstanding loss from payments 6 and 7 should be reduced by the same percentage. That means Santander should reimburse 97.15% of the payments.

Please note that, for ease of reading, I've rounded the relevant percentages down to two decimal places, but Santander should perform the calculation I've set out above to arrive at a more precise figure, as I have done to arrive at the figure below.

After taking the steps set out above, I calculate the Mr W's outstanding loss from these payments to be £3,497.52 ( $£1,748.76 \times 2$ ).

As I've explained, I also think that the amount reimbursed should be reduced by 50% to reflect Mr W's contributory negligence.

I therefore calculate the overall reimbursement due to be £1,748.76 ( $£874.38 \times 2$ ).

Santander must also pay interest on the above amount at the rate of 8% simple per year from the date of the payments 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 W how much it has taken off. It should also give Mr W a tax deduction certificate if he asks for one.

### **My final decision**

I am upholding Mr W's complaint in part. Santander UK Plc must put things right as set out

above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 10 October 2025.

Rebecca Connelley  
**Ombudsman**