

The complaint

Mr M complains that Santander UK Plc won't reimburse him for payments he made to a scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr M noticed an advertisement for an investment opportunity on social media with a company I will call 'C'. He did some online research and found some positive reviews about C.com who are a legitimate cryptocurrency exchange. He filled out an online application and a representative from a company he believed were C.com got in touch. Unfortunately, this was a scammer. The scammer built a trusting rapport with Mr M and Mr M agreed to invest. He was given a link to a scam trading platform and the scammer explained that it would be necessary to set up a cryptocurrency wallet, deposit funds into that wallet and then forward them on to the scammers account from which the scammer assured him they would be invested. Mr M made the following faster payments from his Santander:

Payment	Date	Type of Transaction	Amount
1	12/8/2020	Faster payment to genuine crypto exchange	£2,200
	12/8/2020	<i>Returned payment from crypto exchange</i>	<i>-£2,200</i>
2	17/8/2020	Undisputed faster payment to genuine crypto exchange	£2,250
	26/8/2020	Undisputed credit from crypto exchange in 2 (above)	-£110
3	3/9/2020	Faster payment to genuine crypto exchange	£2
4	3/9/2020	Faster payment to genuine crypto exchange	£2,500
5	29/9/2020	Faster payment to genuine crypto exchange	£5,194
		Total disputed loss	£7,694

When Mr M was asked to pay more money after he'd made payment 5, he realised he'd been scammed.

Mr M complained to Santander about payments 1,4 and 5. He felt they should have warned him about the potential for a scam and, that if they had, he could have avoided losing the money he did. He explained that he was vulnerable as he could neither read nor write and

he said the scam had had a major impact on him.

Santander didn't think they were responsible for the loss, so Mr M referred his complaint to us and our investigator provided his opinion. Ultimately, the investigator didn't think there was cause to uphold Mr M's complaint. He didn't think the payments were unusual or displayed a suspicious pattern that ought to have concerned Santander enough to intervene.

Mr M didn't agree with the investigator's view. He said that payment 5 should have prompted a review by Santander as it was significantly larger than previous transactions on his account and they should have been aware of the heightened risk associated with cryptocurrency transactions. Mr M asked for a decision by an ombudsman.

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.

I was very sorry to read that Mr M lost such a significant amount of money to such a cruel scam. But, having carefully considered the evidence I've reached the same answer as the investigator and for broadly the same reasons. I'll explain why.

The Financial Ombudsman is designed to be a quick and informal alternative to the courts. Given that, my role as an ombudsman is not to address every single point that has been made. Instead, it is to decide what is fair and reasonable given the circumstances of this complaint. And for that reason, I am only going to refer to what I think are the most salient points. But I have read all of the submissions from both sides in full and I keep in mind all of the points that have been made when I set out my decision.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I have to make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

I'm required to take into account the relevant, laws and regulations; regulators rules, guidance, and standards; codes of practice and, when appropriate, what I consider to have been good industry practice at the relevant time.

Broadly speaking, Mr M is responsible for any payments made from his account which are properly authorised, as they were here. And Santander has a duty to process valid payment instructions quickly and with minimal friction. These positions are set out in the Payment Service Regulations (2017).

However, taking into account the relevant law, regulations, industry guidance, and best practice, firms like Santander ought fairly and reasonably to have systems in place to monitor transactions and accounts for signs that its customer might be at risk of financial harm through fraud. Where such risks are detected, there ought to be action from the bank to intervene through the giving of warnings and scam education. Any intervention should be proportionate to the risk presented by the circumstances of the payment.

While it would be true to say that guidance on cryptocurrency scams was still emerging at the time of these payments, Santander should also have been aware of the increase in cryptocurrency scams that its customers might become victim to, including multi-stage fraud which involves money passing through more than one account under the consumer's control before being sent to a fraudster. Scams involving cryptocurrency have increased over time. The FCA and Action Fraud published warnings about cryptocurrency scams in mid-2018 and

figures published by the latter show that losses suffered to cryptocurrency scams have continued to increase since.

I think Santander would have been aware that fraudsters use genuine firms offering cryptocurrency as a way of defrauding customers and that these scams often involve money passing through more than one account. So, Santander should have been alert to whether these payments were part of a wider scam, although I note that in 2020 while some cryptocurrency scams were occurring, they weren't as prevalent as they were in later years. The fact that the money used to fund the scam wasn't lost at the point it was transferred to Mr M's own account does not alter the fact that I think Santander could fairly be held responsible for Mr M's loss in such circumstances.

Where there is a failure by a firm to properly intervene and protect a customer, it might then be fair and reasonable to say that the firm becomes responsible for the customer's loss. And so, in Mr M's case, it's for me to determine if Santander made an error(s) over the course of the scam and, if so, whether it's fair and reasonable for it to be held responsible for Mr M's losses as a result.

Payment 1 was the first payment Mr M had made that could reasonably be considered by the bank to be in relation to a cryptocurrency transaction. It was returned on the same day and could have been an indication that the transaction had, therefore, been blocked. I've checked with Santander, and they've explained that they don't have any information on file about why that payment was returned, so they weren't put on notice of any concerns the recipient may have had. I don't think that payment on its own would have required an intervention. The money was returned, and it was an isolated transaction.

Payment 2 wasn't something that Mr M complained to Santander about, but I think it provides important context. It was the second payment that had been attempted to a second cryptocurrency payment service provider in less than a week. Santander may have recognised this as a resubmission to a high-risk recipient. I'm not persuaded that at this point there was sufficient information for me to expect them to have intervened. I note that around this time firms' understanding of cryptocurrency scams was still developing; they didn't need to automatically treat payments to cryptocurrency providers as high risk.

Payments 3 and 4 were payments to another cryptocurrency provider but at that point transactions were still relatively low in value and hadn't significantly escalated. I'm not persuaded that this was the point that Santander should have intervened.

When Mr M attempted payment 5 he had already attempted payments to three different cryptocurrency exchanges. He had attempted to transfer £9,946 in just over seven weeks, and £7,696 of that in the last 20 days. However, Mr M's payment history did show that he made significantly larger payments than this at times, albeit to accounts in his own name. So, I don't think the size of the payments would have been seen as unusual. And, the payments were relatively well spaced so I don't think they would have stood out to Santander. I don't think the fact that the payments were being made to cryptocurrency accounts by themselves would have caused too much concern at the time as cryptocurrency scams weren't as prevalent as they were a few years later. A payment had been returned but Santander weren't told it had been rejected so I can't say they were put on notice of any problems. On balance, I don't think Santander needed to intervene in this payment either.

Mr M has explained that he's unable to read or write but he didn't tell Santander about that until after he had realised he'd been scammed. So, it wouldn't be fair for me to suggest Santander had been alerted to the fact that Mr M may have been more vulnerable to being scammed as a result of his level of literacy and that they should, therefore, have made a more timely intervention.

I've thought about whether Santander acted reasonably when it was made aware of the scam. They haven't explained whether they tried to recover any funds, but it's not disputed that the funds were sent to a wallet and electronic payment platforms in Mr M's name before being forwarded to the scammers. So, Santander wouldn't have been able to recover any of his funds and I don't think it treated him unreasonably for that reason here.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 August 2025.

Phillip McMahon
Ombudsman