

## The complaint

Mr G complains that Santander UK Plc won't refund the money he lost to an investment scam. Mr G is represented in this complaint, but I'll refer to him as it's his complaint.

## 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 G explains that, prior to the scam, he was vulnerable due to a family bereavement. Also, his account with Santander was a 123 Mini Current Account and he hadn't previously made any withdrawals from his lifetime ISA.

On 12 January 2024, Mr G was contacted by X (the scammer) on a popular social media platform. X hacked an account of a legitimate trader, and they became friends speaking on a messaging app.

Mr G shared his motivation to earn money to help his family during a difficult time and X agreed to be his mentor and to trade on his behalf in a legitimate and widely used trading platform call Platform M.

Mr G saw this as a good opportunity and X set up a trading account for him, providing him with the login details

Mr G used money from his savings and friends to make the following payments to trade in crypto through his account with Company K:

Payment Number	Date	Payment Method	Beneficiary	Amount (£)
1	16/1/24	Debit card	Mr G's Company K account	550
2	19/1/24	Debit card	Mr G's Company K account	100
3	19/1/24	Faster payment	Mr G's Company K account	770
4	23/1/24	Faster payment	Mr G's Company K account	500
<i>Attempted</i>	<i>25/1/24</i>	<i>Faster payment</i>	<i>Mr G's Company K account</i>	<i>1400</i>
5	25/1/24	Faster payment	Mr G's Company K account	500
6	25/1/24	Faster payment	Mr G's Company K account	500
7	25/1/24	Faster payment	Mr S	400
Total				£3,320

Mr G saw gains and was led to believe he would make a six-figure profit by the end of the month.

Mr G realised he'd been scammed on 26 January, after he'd been persuaded to put his car up for sale. The scammer then admitted scamming Mr G and stopped all communications.

Mr G complained to Santander seeking a refund for his loss. This is because he believes Santander should've recognised the unusual activity on his account and put in place timely and effective interventions.

Santander rejected Mr G's claim, so he escalated his complaint to our service.

Our investigator found that Santander did intervene on 25 January 2024, after payment 4 and before payments 5 when Mr G tried to make a payment for £1,400. After listening to the call recording, she concluded that Santander wouldn't have been able to prevent the scam.

Mr G remains dissatisfied and asked his complaint to be escalated to an ombudsman. He believes Santander should've asked more questions and probed further about the purpose. He also thinks they should've asked about *'his frame of mind and whether he was of sound mind when making the transfers'*.

### **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, my decision is not to uphold this complaint. And I'll explain why.

I should first say that:

- From reviewing the file submission, I'm persuaded that Mr G was the victim of a cruel scam.
- I'm very sorry to hear about Mr G's sad loss and that, soon after, this situation was used to manipulate him and cheat him out of £3,320.
- Although Santander is a signatory of the Lending Standards Board's Contingent CRM Code which requires firms to reimburse customers who have been the victim of a scam in most circumstances, I'm satisfied this code doesn't apply here. This is because the CRM Code excludes card payments, payments to other accounts in the account holder's name and crypto payments.
- I wouldn't have expected Santander to have been able to recover Mr G funds as they were transferred and sent on by a crypto exchange.
- The Payment Services Regulations 2017 (PSR) and FCA's Consumer Duty are relevant here.

### PSR

Under the PSR and in accordance with general banking terms and conditions, banks should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. There's no dispute that Mr G made the payments here, so they are considered authorised.

However, in accordance with the law, regulations and good industry practice, a bank should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

Banks do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily

inconveniencing or delaying legitimate transactions. So, I consider Santander should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.
- Have 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.

### Consumer Duty

Also, from July 2023 Santander had to comply with the Financial Conduct Authority's Consumer Duty which required financial services firms to act to deliver good outcomes for their customers. Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, Santander was required to act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud. Santander was also required to look out for signs of vulnerability.

With the above PSR and Consumer Duty in mind I considered whether Santander should've recognised Mr G was at risk of financial harm and put in place a proportionate and effective intervention.

I found that Santander did intervene, between payment 4 and 5. This was to protect Mr G from financial harm when he attempted to pay his Company K crypto account with £1,400 on 25 January 2025. Santander have a 30-day crypto spending limit of £3,000 as crypto payments have a heightened risk and I think this was a proportionate intervention point.

I wouldn't have expected to have seen an earlier intervention as payments 1 to 4 were all for relatively low amounts (£100 the lowest and £770 the highest), crypto payments are legal and common and banks like Santander process thousands of payments each day and, as mentioned above, have to strike a balance between the extent to which they intervene in payments.

Also, although I'm very sorry to hear about Mr G's tragic loss, I haven't seen or heard any evidence that Santander had any information on this to discuss resultant vulnerability and any mitigation requests. This includes his two calls with Santander where Mr G spoke enthusiastically and persuasively about his (low amount) trading success and how he was teaching himself trading.

I recognise Mr G had a mini account, which doesn't automatically change at 18 years, but I'm satisfied he was over 18 years at the time of the scam, and I therefore don't think it would be fair or reasonable for Santander to question his decision making because of his young age.

I listened carefully to Santander's intervention call, and I found that the agent did warn Mr G about the heightened risk of trading in crypto (that he shouldn't invest if he wasn't prepared to lose all his money) and gave him relevant educational warnings.

After saying the following:

- *'Most crypto currency scams that we do see involve somebody else helping you or having access to or control to your device, accounts or wallet so you should not make the payment if you have been asked to set up an online investment account or*

*wallet whilst someone is connected to your device or if a third party like a broker has access to your account or wallet’.*

- *‘You should not go ahead if you’ve heard about an opportunity through social media or not confirmed legitimacy of the investment’.*
- *‘It could be a scam if promised returns too good to be true’*

All of which applied to the scam, the agent then, importantly, asked Mr G if (at any point) anyone had access to his account and how he found out about the opportunity. But, despite X having set up the Platform M account and controlling it, and having approached him via social media platform, Mr G wasn’t open with the agent. This was despite her setting out at the start of the call the importance of him being honest to enable her to protect him.

Unless Mr G was coached by X, it’s unclear why he gave the agent incorrect answers and didn’t flag his promised returns. But Mr G decided to answer ‘no’ to these important questions and when he explained he’d been leveraging profit from bitcoin and teaching himself to trade, I thought this was plausible and he sounded very convincing.

Mr G did mention he was borrowing money and working with a friend and the agent tried to probe the arrangement. An intervention shouldn’t be an interrogation; it should be suitable questions designed to unearth a potential scam and establish if the customer is at risk of financial harm.

When considering the above intervention, which I think was reasonably strong, the reason the Santander agent wasn’t able to uncover the scam or block the subsequent three payments for £1,400 was because of the answers Mr G decided to give her. And even with further probing, I think Mr G would’ve continued with the same line that it was just him and his friend teaching themselves to trade.

I recognise the sophistication of this scam and the cruel scammer’s enticement tactics, and I’m very sorry Mr G has lost this money at such a difficult time in his life. However, I don’t think Santander made any errors here and I’m therefore not upholding this complaint and requiring them to make a refund payment.

### **My final decision**

For the reasons mentioned above, my final decision is that I’m not upholding this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr G to accept or reject my decision before 5 December 2025.

Paul Douglas  
**Ombudsman**