

The complaint

Sadly, Mrs R, the complainant who fell victim to the scam, passed away while our service was looking into the matter, and so the estate of Mrs R is now pursuing the complaint.

The estate of Mrs R is bringing the complaint that Santander UK Plc, declined to refund Mrs R's losses, when she had fallen victim to a scam.

What happened

Mrs R made a payment of £8,271 to a company; I'll refer to as C. Mrs R thought she was purchasing a vehicle. When the vehicle wasn't delivered, after multiple excuses from C, Mrs R reported the matter as a scam.

Santander issued a final response letter in April 2024, saying it wouldn't be refunding Mrs R under the Contingent Reimbursement Model (CRM) Code, as it provided an effective warning and it said Mrs R could have done more to protect herself from falling victim to the scam.

Unhappy with this outcome Mrs R brought her complaint to our service.

One of our investigators looked into things, they partially upheld the complaint, recommending that Santander refund 50% of Mrs R's losses and pay 8% simple interest from the date of the payment, to the date of settlement. Although there was some key information missing about what happened at the time of the payment, in summary they concluded that:

- Mrs R didn't have a reasonable basis of belief when making the payment. She found that although Mrs R checked the vehicle on the website it was being sold on, she didn't obtain or see the logbook, which would have shown the legal owner. And she hadn't seen the vehicle in person when the warnings she received from Santander advised her to do so.
- She thought the payment ought to have prompted Santander to provide an effective warning, in line with the firms' standards under the CRM Code. Although Santander provided a warning, Mrs R misunderstood a question about seeing the vehicle in person when she had only seen pictures of it. But ultimately, she considered Santander's warning was not effective. She said if it had done more, it would have likely revealed the scam and Mrs R's losses would have been prevented.

Mrs R's executors accepted the outcome.

Santander did not accept the investigators findings. In summary it said:

- The warning it provided Mrs R, was through its dynamic warning system, which means it asked Mrs R a series of questions, as well as providing different warnings at points throughout.
- It went on to say it failed to see how Mrs R could have misunderstood the question about seeing the vehicle in person and seeing a photo was not sufficient.

- It believes the warning was effective because the question about seeing the vehicle in person was clear. The warning also said she was at risk of losing her money if she decided to pay, before receiving the item. And it said she should avoid paying by bank transfer and use debit or credit cards instead.
- It didn't think it should be held liable under the code as there was sufficient information for Mrs R to act to protect herself. This being to complete further checks, to change her payment method or to have considered the questions in more detail.
- It also said Mrs R did not complete any due diligence checks, apart from reviewing the website of the company she was dealing with.
- It added that, if it had flagged the payment for further intervention, it doesn't agree that a conversation would have changed the outcome here. It goes on to say there was nothing concerning about the company she was dealing with, so it doesn't think it would have exposed a scam at the time she made the payment.

As the complaint couldn't be resolved, it's been passed to me to consider.

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've come to the same conclusions as the investigator.

Firstly, I'll start by saying, that due to the circumstances of the complaint and that Mrs R has now sadly passed away, there hasn't been a great deal of evidence or paper trail submitted, in the consideration of this claim. But Santander has accepted that Mrs R was the victim of a scam and I haven't seen any evidence to suggest that wasn't the case. So, I have proceeded on the basis that all parties agree, that Mrs R was the victim of a scam here.

And secondly, Mrs R's executors have accepted the outcome but Santander has not, so I have focussed my decision on the remaining element in dispute in this complaint. Which is whether Santander provided an effective warning or not and is therefore liable to refund 50% of Mrs R's losses.

Did Santander meet the firms' standards under the CRM code?

Santander has provided a copy of its dynamic warning, which it says it showed to Mrs R at the time she made the payment. I have considered this carefully, but I agree with the investigator that although it does provide some helpful information, it isn't effective in that it meets the firms' requirements under the CRM code. The minimum criteria for an effective warning are as follows: understandable, clear, impactful, timely and specific. But further than this it seems reasonable to expect that an effective warning would give the typical customer a better chance to protect themselves against being defrauded. And whilst the warning has some positive elements, I don't think it meet the requirement for being effective.

I say this because, even though Mrs R indicated she was purchasing a vehicle, Santander's warning doesn't explain what additional checks she could make in order to prevent herself from falling victim to a "vehicle purchase scam".

Regardless of the way Mrs R answered the question about seeing the vehicle in person, I'm satisfied that Santander ought to have provided a better warning about vehicle purchase scams. I say this because the warning repeatedly suggests Mrs R should carry out additional

checks but gives no steer or indication of what that actually means in practice. And Mrs R had carried out checks on the company she thought she was dealing with and that didn't reveal any concerns. So, beyond this it's not clear from the warning what checks Mrs R could have completed when purchasing a vehicle.

I think it would have been reasonable for Santander to have indicated the types of checks that can be made regarding vehicles in order to avoid the most common types of vehicle purchase scams – for example checking the person selling the vehicle has legal ownership to do so via the V5 and logbook, that the vehicle is registered with the DVLA, or carrying out vehicle history checks to make sure it's not stolen or been in accident etc. But the warning doesn't contain any of this or an indication of any of the checks Mrs R could have carried out to protect herself from falling victim to this type of scam. Which leads me to conclude it was not an effective warning.

So, in conclusion I'm not satisfied that Santander has met its standards under the CRM code. It is therefore liable for 50% of Mrs R's losses.

And I agree with the investigators findings that the refund is limited to this amount with a 50% deduction to take into account Mrs R's action and that she didn't have a reasonable basis of belief when making the payment. This is based on the price, the warning about seeing the vehicle in person and being warned not to pay for the item in full before receiving it.

Other considerations

The investigator suggested that Santander ought to have intervened with the payment when it was made, by speaking to Mrs R and discussing the payment with her. Santander argues that even if it had intervened, it wouldn't have made a difference to the outcome. It says Mrs R made checks on the company she was dealing with, and they didn't reveal any concerns about the payee so it couldn't have revealed this was a scam either. But I disagree, if Santander had discussed the payment with Mrs R, I think it's reasonable Santander would have got to the bottom of whether she had seen the vehicle in person. I also think it's likely the additional checks I've mentioned above, would have also been discussed, as these are common checks to make sure a vehicle purchase is genuine. And if Mrs R was given advice about how to carry these checks out, then the scam would have likely been exposed and her losses prevented.

But this finding makes no material difference to the outcome or redress here. It only impacts the date on which the interest is paid from. Even if Santander ought to have intervened, I'd still be holding both parties partly liable for the losses here and the recommended redress would be the same, apart from the interest amount.

Putting things right

I now direct Santander UK Plc to pay Mrs R's estate:

- 50% of the total of Mrs R's losses
- 8% simple interest from the date of the payment to the date of settlement¹

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

My final decision

I'm partly upholding the estate of Mrs R's complaint against Santander UK Plc and direct it to settle the complaint as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs R to accept or reject my decision before 1 December 2025.

Sophia Smith
Ombudsman