

The complaint

Mr I complains that Santander UK Plc hasn't agreed to refund the money he lost from his account as the result of an investment scam. He thinks that Santander should have done more to prevent his loss. He wants his losses refunded along with statutory interest and £1,000 for the distress and inconvenience he has been caused.

Mr I is represented by a third party but for ease of reference I have referred to Mr I throughout this decision.

What happened

Between 22 September 2020 and 9 August 2021, Mr I transferred a total of £31,620 from his Santander account to his account with a cryptocurrency exchange. He also received two credits. The details of the transactions are set out below.

Payment	Date	Method	Amount
1	22 September 2020	Faster payment	£500
2	28 September 2020	Faster payment	£1,000
3	5 October 2020	Faster payment	£5,000
4	6 October 2020	Faster payment	£4,550
5	6 October 2020	Faster payment	£4,600
6	7 October 2020	Faster payment	£9,250
	16 October 2021	Credit	£744.41
7	30 April 2021	Faster payment	£850
8	30 April 2021	Faster payment	£1,470
9	9 May 2021	Faster payment	£700
	6 August 2021	Credit	£1,127
10	9 August 2021	Faster payment	£3,700
Total payments			£31,620.00
Total credits			£1,871.41
Net position			£29,748.59

Mr I said that he transferred his money from his Santander account to his cryptocurrency account and the money was then transferred out to the investment scam. He noted the company he believed he was investing in had a warning issued against it by the Financial Conduct Authority (FCA) in 2021.

Mr I referred to the Contingent Reimbursement Model (CRM), under which a payment service provider is expected to offer protection for its customers from Authorised Push Payment (APP) scams. He said this meant Santander should reimburse him for his losses. He said any warnings he received from Santander were not effective, primarily in that they were neither sufficiently clear nor impactful.

Santander issued a final response letter dated 26 June 2024. It explained that Mr I's claim wasn't covered by the CRM because his authorised payments were received into another

account in Mr I's name at another entity. Santander advised Mr I to contact the other entity from which the funds were sent to raise a claim. It said it wasn't liable for Mr I's losses.

Mr I referred his complaint to this service.

Our investigator was satisfied that Mr I had been the victim of a scam and acknowledged how upsetting this must have been for him. He considered whether Santander should have intervened on any of the disputed payments and if it had whether it would have been able to uncover the scam. But in this case, he didn't think that Santander was required to take further action.

Mr I said the payments within the two-day period from 5 October to 7 October 2020 should have been identified as unusual and Santander should have intervened. He said the warning that Santander had said was sent was a template warning and given the payments he was making, the intervention should have been a call. He said that had this happened he would have reconsidered his actions.

Our investigator responded to Mr I's comments but as these didn't change his view, and a resolution wasn't agreed, this complaint was passed to me, an ombudsman, to issue a decision.

My provisional conclusions

I issued a provisional decision on this complaint the details of which are set out below.

Mr I authorised several payments from his Santander account to a cryptocurrency exchange account in his name between September 2020 and August 2021. Under the Payment Service Regulations 2017, the starting point is that Mr I is liable for the payments he authorised. However, Santander should have systems in place to look out for out of character or unusual transactions, or other signs that might indicate that its customers are at risk of fraud.

Mr I has explained that the payments were made to his account with the cryptocurrency exchange and then transferred out of this account. He has provided details of the company he was told he was investing in, and this company has since been linked with fraudulent schemes. Therefore, based on what Mr I has told us, I accept that he was the victim of an investment scam.

Mr I initially thought that he should receive a refund of his losses under the CRM. However, as Santander explained, the CRM isn't relevant in this case because Mr I made the payments from his Santander account to another account in his name at a different financial institution.

I have therefore looked at the transactions made to assess if these looked unusual and whether Santander should have been concerned that Mr I might be at risk of financial harm. Transactions 1 and 2 were made around six days apart to an account in Mr I's name and were for £500 and £1,000 respectively. Based on the transaction audit, transaction 1 was the first payment to the new account which had just been set up. Having looked through Mr I's Santander account, I do not find that these transactions should have raised concerns. Mr I had made a payment of £1,000 for a bill on 9 September 2020, and a payment of £500 to a trading platform on 11 September 2020, so while these payments were to a cryptocurrency exchange, he was making payments for other investments, and I do not find that the value meant that Santander should have flagged these or intervened at this time.

That said, Santander's transaction audit shows that a warning was issued at this time. As Mr I had said the purpose of the payments was 'transfer to an investment' the following warning was issued:

If you've been cold called about an investment opportunity, this could be a scam, please stop

Could this be an investment scam?

If you've been cold called or contacted out of the blue about an investment opportunity, this is likely to be a scam. Please check the company details thoroughly, including on the Financial Conduct Authorities website ([fca.co.uk](https://www.fca.co.uk)), before transferring money.

If you're at all nervous, or you've been told to choose this payment reason, please cancel and call us now.

I think this warning was enough at this time to alert Mr I to the possibility of an investment scam and to provide him with guidance about how to check this.

Mr I then made four payments over three days to his cryptocurrency account. The amounts had increased from the initial payments and in total he paid £23,400 out of his account between 5 and 7 October. Given the size of the individual transactions and their combined value, I think that by the second transaction on 6 October (transaction number 5) Santander should have identified this as unusual activity for Mr I's account and, while he was making payments to an account in his name, given this was a cryptocurrency exchange, that Mr I might be at risk of financial harm. Because of this I think an intervention should have been made at transaction 5, with a tailored cryptocurrency warning being issued. Had this transaction still gone ahead, I would have expected a human intervention at transaction 6, given the escalating value of the transactions.

As I think that Santander should have done more on 6 and 7 October to warn Mr I about the risk that he might be the victim of an investment scam, I have then considered what I think would most likely have happened had the interventions happened.

I have looked through the messages Mr I was exchanging at the time with his contact. Before the October 2020 transactions, Mr I didn't seem to have any concerns about the investment. He had set up a cryptocurrency account and was aware he was investing using cryptocurrency. Therefore, I find it unlikely that even a tailored cryptocurrency warning would have prevented him continuing with his transaction. The company he was investing in hadn't been added to the FCA warning list at that time and so further checks would be unlikely to have revealed the scam.

I cannot say for certain what would have happened had Mr I been called before transaction 6. But I have nothing to suggest that if Santander had called Mr I, he wouldn't have given honest answers about the investment he was making. I think that probing questions at the time would likely have revealed that the investment may not be genuine, and that Mr I was the victim of an investment scam. I say this because the company Mr I was investing with wasn't regulated by the FCA and was suggesting unrealistic returns to persuade Mr I to invest more. Therefore, I think that had Mr I been called about his payments and the investment been discussed it is more likely than not that the scam would have been identified, and so Mr I wouldn't have proceeded with payment 6 or subsequent payments.

While I think that Santander should have taken more action, I also need to consider the action Mr I could have taken. In this case I think Mr I could have done more research about

the company he was investing in and that he should have been concerned about how realistic the proposed returns were. Had he asked more questions, it is possible that he would have identified that the investment was not genuine and stopped making payments. Therefore, in this case, I think that the liability should be split between Mr I and Santander, 50/50.

When considering action taken to recover funds, as the payments from Santander were to an account in Mr I's name, he would have been able to retrieve the money up to the point it was transferred out of his account. At that point, I wouldn't expect Santander to be able to make any recovery and so I wouldn't expect it to have pursued this.

Santander didn't accept my provisional decision. It said that at the time of the suggested intervention there was insufficient information to suggest this to be a scam. It thought that further questioning at the suggested point of intervention would have only revealed that Mr I intended to transfer his funds from his Santander account to his own cryptocurrency wallet that he setup for the purpose of trading, that he had been on a course to learn. It didn't accept that the predicted returns would have highlighted this as a scam.

Santander said Mr I sent funds to his own cryptocurrency wallet and the funds were lost from that point. It questioned why, given the funds were 'me to me' that it should be liable for the losses.

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.

When making a decision I take all relevant rules, regulations and guidance into consideration and my decision is based on what I consider to be fair and reasonable given the unique circumstances of the complaint.

I note Santander's comments in response to my provisional decision but having considered these, I do not find they change my conclusion. Santander has noted that Mr I made the payments to a cryptocurrency account in his name. This was explained in my provisional decision. However, he paid a total of £23,400 out of his account between 5 and 7 October which, given the size of the individual transactions and their combined value, I think should have been identified as unusual activity and that Santander should have intervened. While the payments were to an account in Mr I's name, it was a cryptocurrency account and so, as I explained in my provisional decision, I think that at transaction 5, Santander should have sent Mr I a tailored cryptocurrency warning. Had this transaction still gone ahead, I would have expected a human intervention at transaction 6, given the escalating value of the transactions.

I note Santander's comment about what it believes would have been identified had further questions been asked at transaction 6, and as I have previously stated I cannot say for certain what would have happened had Mr I been called at that time. But I have nothing to suggest that if Santander had called Mr I, he wouldn't have given honest answers about the investment he was making. On balance and for the reasons I previously set out, I think that probing questions at the time would likely have revealed that the investment may not be genuine, and that Mr I could be the victim of an investment scam. Therefore, while I have taken Santander's comment into account my decision hasn't changed, and I am upholding this complaint from transaction 6 onwards.

As I previously explained while I think that Santander should have taken more action, I also think Mr I could have done more research about the company he was investing in.

Therefore, for the reasons I have set out I think that the liability should be split between Mr I and Santander, 50/50.

Putting things right

In order to fairly resolve this complaint, Santander should:

- Refund payment 6 and all subsequent payments. From this refund, Santander can deduct any receipts Mr I received and deduct 50% from the remaining balance to reflect Mr I's shared liability.
- Pay 8% simple interest* on the individual amounts from the date the payments were made until the date of settlement.

*HM Revenue & Customs requires Santander to deduct tax from any award of interest. It must give Mr I a certificate showing how much tax has been taken off if he asks for one.

My final decision

My final decision is that Santander UK Plc should take the action set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 27 August 2025.

Jane Archer
Ombudsman