

The complaint

Mr M is being represented by a claims manager. He's complaining about Santander UK Plc because it declined to refund money he lost as a result of fraud.

What happened

Sadly, Mr M fell victim to a cruel cryptocurrency recovery scam after he was contacted by someone who said it could help him recover cryptocurrency he purchased several years earlier and had assumed was lost but that had actually increased in value significantly. He was told he'd need to pay a series of fees and other costs to recover his money and his representative has highlighted the following payments from his Santander account that it says were lost to the scam:

No.	Date	Amount £	Method
1	23 Dec 2021	3,000	Card
2	10 Feb 2022	3,456.56	Card
3	6 Jul 2022	3,441.81	Card
4	18 Nov 2022	9,000	Card
5	27 Feb 2024	750	Transfer
6	7 Nov 2024	900	Transfer
7	7 Nov 2024	900	Transfer

The payments all went to two cryptocurrency exchanges, from where Mr M says the cryptocurrency purchased was transferred to the scammers. Santander has identified a number of other payments to cryptocurrency from 2021 but these were all for relatively low amounts, except for a payment of £9,000 on 1 December 2022 that appears to have been returned by the cryptocurrency exchange a few days later.

Our investigator didn't recommend the complaint be upheld. He didn't think there was sufficient evidence to quantify the extent of Mr M's losses to the scam.

Mr M didn't accept the investigator's assessment. His representative argues that the evidence provided is sufficient to show Mr M was engaged with scammers and that his testimony is important evidence that should allow us to reach a decision on the balance of probabilities, saying he shouldn't be punished because he no longer has relevant evidence, including of his online chats with the scammers. It maintains Santander should have intervened to ask more questions about the payments and that if it had, the scam would have been stopped.

The complaint has now been referred to me for review.

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 reached the same overall conclusions as the investigator. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

In this case, there's no dispute that Mr M authorised these payments. In broad terms, the starting position at law is that a bank is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, '*authorised*' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Santander also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Santander acted fairly and reasonably in its dealings with Mr M.

The scam

The information provided clearly shows Mr M was engaged with a company during the period in question that internet research suggests was likely to be a scam. He's sent us a number of documents provided by the scam company, including Terms of Use, a Letter of Guarantee, a Client Confidentiality Agreement, and a document setting out details of a transaction insurance. In addition, he's provided a transaction history showing details of his payments to and from the company.

Taking this information into account, and in addition to his own recollections, I think there is enough to say Mr M was most likely involved in and lost some money to the scam.

The payments

I must take into account that many similar payment instructions Santander receives will be entirely legitimate and I also need to consider its responsibility to make payments promptly. Having considered what it knew about the payments 1 to 3 at the time it received Mr M's instructions, I'm not persuaded it ought to have been particularly concerned about them. While the payments were to cryptocurrency, the heightened scam risk such payments are now generally accepted to present wasn't as prominent at that time. Further, the amounts were relatively low and the payments were spread over a number of months, meaning I don't think a pattern consistent with many known types of scam had begun to emerge.

Payment 4, however, was for a much larger amount and I think it's reasonable to believe Santander should have identified Mr M may be at risk of harm from fraud at this point. Santander says it did ask Mr M to confirm the reason for the payment when he instructed it

and that its records show he answered that he was moving money to another of his accounts and a scam warning relevant to that type of payment was shown.

Having thought carefully about the risks this payment presented, I think Santander's intervention should have gone further and that it should have contacted Mr M to discuss the purpose and circumstances of the payment before it was allowed to leave his account. But I must consider that there's no guarantee such an intervention would have been successful and this is in particular where I believe a lack of relevant evidence from the time undermines his complaint.

The success of any scam intervention by a bank depends to some extent on the customer providing accurate information about the payment in question. Without access to the history of Mr M's conversations with the scammer, it's much more difficult to reach a conclusion on the level of influence the scammer had achieved, including whether Mr M was being encouraged to hide the real purpose of the payment and therefore whether Santander would likely have been able to establish what was really going on. And while Mr M's testimony is evidence I must take account of, this payment occurred more than two years before he made his complaint and I must consider that the passage of time could have clouded his recollections.

I'm also conscious that the information I do have from around the time indicates any more detailed warning Santander could have provided prior to payment 4 may not have actually been successful in stopping from him making it. In particular, I'm conscious his representative has said he contacted police in the UK about the scam in 2022 and it's also provided a copy of a letter from December 2022 that he sent to police in the country from which the scam company was believed to be operating. Despite appearing to understand this was a scam at that time, Mr M says he later went on to make a number of further payments.

The payments after payment 4 were generally much lower in value, aside from a payment of £9,000 on 1 December 2022 that appears to have been refunded by the cryptocurrency exchange a few days later, and I wouldn't necessarily have expected them to raise any particular concerns for Santander. But even if it had questioned these payments, it doesn't appear the bank could have told Mr M anything he didn't already know – he'd already realised he'd been scammed and contacted two police forces to report this – so there's no clear reason to think it would have stopped him from wanting to go ahead.

I want to be clear that it's not my intention to suggest Mr M is to blame for what happened in any way. He fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why he acted in the way he did. But my role is to consider the actions of Santander and, having done so, I'm not persuaded these were the cause of his losses.

Recovery of funds

I've also looked at whether Santander could or should have done more to try and recover Mr M's losses once it was aware that the payments the result of fraud.

Firstly, it appears Mr M didn't notify Santander of the scam until some months after the last payment and several years after the scam started. It's a common feature of this type of scam that the fraudsters will move money very quickly to other accounts once received to frustrate any attempted recovery and I don't think anything Santander could have done differently would likely have led to those payments being recovered successfully after this period of time.

Further, Mr M paid funds to legitimate cryptocurrency accounts in his own name. The exchanges provided the service requested of them, that of purchasing cryptocurrency and moving it to a wallet address of his choosing (albeit on the scammers' instructions). Santander could only try to recover funds from Mr M's own account and it appears all the money had already been moved on. If not, anything that was left would still have been available to him to access.

In conclusion

I recognise Mr M has been the victim of a cruel scam and I'm sorry he lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I don't believe I have the evidence required to conclude any further intervention by Santander would have made a difference to the eventual outcome and I won't be telling it to make any refund.

My final decision

My final decision is that I do not 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 24 November 2025.

James Biles
Ombudsman