

The complaint

Miss D complains that Santander UK Plc (“Santander”) won’t refund her money, which she believes she has lost to a scam.

What happened

The background to this complaint is well known to all parties and has been laid out in detail by our Investigator in their view, so I won’t repeat it all again here. But in summary, I understand it to be as follows.

Miss D was looking to buy a new car. She saw one advertised through a well-known online marketplace and contacted the seller. Miss D arranged to go and look at the car, which was advertised as having a mileage of 98,000. After inspecting the car and taking it for a short test drive, Miss D agreed to buy it and, on 12 March 2025, she made a payment for £2,800 to the account details that the seller provided.

But shortly after taking the car, Miss D has said the car started to make unusual noises. Miss D then carried out some further checks on the car and found the registration on the DVLA website showed the car as having done over 147,000 miles. Miss D added that a mechanic then looked at the car and was able to plug into the car’s computer and saw that the mileage showing was in line with the DVLA’s records. Alongside this, the mechanic also identified several faults and said the warning lights appeared to have been switched off.

Miss D contacted the seller, but they declined to take the car back or refund the money.

Believing she’d fallen victim to a scam, Miss D raised the matter with Santander, but it did not consider it was liable for Miss D’s loss. In summary, this was because it thought what had happened was a civil matter.

Unhappy with Santander’s response, Miss D brought her complaint to this service. One of our Investigators looked into things. But they agreed with Santander that this was most likely a civil dispute, and so Miss D was not entitled to a refund of the payment she had made.

Miss D didn’t agree with our Investigator’s view. In summary, she said that the police had told her that she had been scammed.

As agreement couldn’t be reached the complaint has been passed to me for a final decision.

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 and having thought very carefully about Santander’s actions, I agree with the findings set out by our Investigator. I do appreciate how disappointing this will be for Miss D but, whilst I’m sorry to hear of what’s happened, I don’t think I can fairly hold Santander liable for her loss.

When considering what is fair and reasonable in this case, I've thought about the relevant rules that were in place at the time this disputed payment was made. From 7 October 2024, Payment Services Providers in the UK, like Santander, have been bound by the Faster Payments Scheme reimbursement rules ("Reimbursement Rules"). Under these rules, most victims of Authorised Push Payment (APP) scams should be reimbursed – but "private civil disputes" are not covered.

I've therefore considered whether what has happened between Miss D and the seller meets the Reimbursement Rules' definition of an APP scam or could more reasonably be classed as a civil dispute. The Reimbursement Rules define an APP Scam as:

"Where a person uses a fraudulent or dishonest act or course of conduct to manipulate, deceive or persuade a consumer into transferring funds from the consumer's relevant account to a relevant account not controlled by the consumer, where:

- *The recipient is not who the consumer intended to pay, or*
- *The payment is not for the purpose the consumer intended"*

By contrast, a private civil dispute is defined as;

"A dispute between a consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty".

In its published policy statement PS23/3, the Payment Systems Regulator gave further guidance:

"2.6 Civil disputes do not meet our definition of an APP fraud as the customer has not been deceived [...] The law protects consumer rights when purchasing goods and services, including through the Consumer Rights Act."

2.5 provides an example of when this might apply:

"...such as where a customer has paid a legitimate supplier for goods or services but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier."

So, in order to consider what has happened here as an APP scam, I would need to be satisfied that it involves criminal deception. The evidence for this would therefore need to be convincing. Having thought about this carefully, I'm not satisfied that Miss D's payment is covered by the Reimbursement Rules. I'll explain why.

The seller of the car was the intended recipient and was the person who received the funds (albeit I understand Miss D paid to an account that was held by the seller's partner). And, I haven't seen evidence that persuades me Miss D's funds weren't used for the intended purpose.

I accept that soon after taking the car Miss D identified and experienced a number of serious mechanical issues and the mileage showing wasn't in line with DVLA records, with Miss D sharing copies of the car's computer records to support this. But this in and of itself isn't enough to say the funds were accepted by the seller for a different purpose to what Miss D sent them. The evidence I've seen supports that Miss D was given the vehicle transfer slip and the necessary paperwork to take legal ownership of the vehicle and there is no evidence that the seller didn't have the legal right to sell the car. There is also insufficient evidence for

me to be as sure as I would need to be that the seller was aware of the severity of the issues with the car and that they had doctored the mileage, to the extent that they set out to defraud Miss D.

Miss D's purpose was to buy the car and the seller's purpose was to sell it to her – so these do match. Miss D did leave with the specific car she intended to buy; Miss D's issues instead stem from the quality of that car, something that isn't covered by the reimbursement rules.

I'm mindful that Miss D has said she reported the matter to the police, who she's said told her that she's been scammed. However, I'm not aware of any criminal investigation and haven't seen any evidence to show the police have taken any action against the seller.

In the individual circumstances of this case, there are also a number of other factors that aren't typically seen in scams. Whilst I can't go into specific details due to protection laws, information from the beneficiary bank (the bank to which the money was sent), doesn't indicate that there were any concerns with how the account was being run and there had been no other reports of fraud. Typically, if somebody were running a fraud, you'd expect to see other concerns raised – but that isn't the case here.

Alongside this, in the circumstances of this case, Miss D continued to communicate with the seller by way of messages. This is not typically the case with fraudsters, who more often than not, once in receipt of a victim's money, will not send anything at all and will then no longer be contactable.

Overall, having thought very carefully about all that Miss D has said, and about the evidence provided by all parties to this complaint, I'm not persuaded that I can safely say with any certainty that the seller set out with an intent to defraud Miss D. I know this will be a huge disappointment to Miss D, and I appreciate how strongly she feels about this case. But for the reasons I've explained above, I do not consider that it was unreasonable for Santander to decline Miss D's claim under the relevant Reimbursement Rules.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 9 March 2026.

Stephen Wise
Ombudsman