

The complaint and background

Mr S complains Santander UK Plc ('Santander') won't reimburse over £67,000 he lost when he fell victim to a cryptocurrency investment scam.

Our investigator didn't uphold the complaint. Although he found Santander ought to have enquired better during a number of interactions that took place when Mr S was attempting to make payments towards the scam, he wasn't persuaded that would have prevented Mr S's loss. He said there were occasions when Santander did ask appropriate questions and provided warnings that should have resonated with Mr S. But the responses Mr S provided weren't accurate and this prevented Santander's ability to uncover the scam.

Our investigator also found that when Mr S was questioned by Revolut about the activity out of his account that was lost to the same scam, their attempts to intervene were also undermined by the responses he gave. As a result, our investigator wasn't satisfied that any improved interventions would have prevented Mr S's losses. He wasn't persuaded that contrary to Mr S's payment instructions, they should have refused to put the payments through.

Mr S's representatives disagreed. They argued that Santander's interventions were insufficient and were fundamentally poor. It also said that the warnings presented to Mr S were inapplicable to his circumstances and suggested that on account of the poor and disorganised interventions that Mr S had become fatigued and disenfranchised by the process, lessening and diluting the effectiveness of later interventions. It argued that had appropriate action been taken earlier in the scam, it would have been easier to 'break the spell' of the scammer. It also considers that it was appropriate for Santander to have invoked Banking Protocol.

In response, our investigator said his view had highlighted the times interventions failed to pick up on answers Mr S provided and on other occasions when Santander simply read out warnings. But Mr S was still provided with relevant warnings. And contrary to how Mr S's representatives perceived the scam chats, he believed they showed clear evidence of control by the scammer. He also wasn't satisfied this was a situation where Banking Protocol should've been exercised when considering the reassurances Mr S provided Santander. Our investigator did go on to explain that in reference to the interactions Mr S had with Revolut, he was provided warnings about cryptocurrency scams. He considered the combination of the interactions across both Santander and Revolut ought to have raised sufficient suspicions of Mr S to have stopped the payments himself.

As an agreement couldn't be reached, the case has been passed to me to decide.

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.

To be clear from the outset, my decision here solely focuses on the complaint brought against Santander. Mr S has a separate case with this service brought against Revolut which is the subject of a separate complaint, and which will be addressed separately. But it's important to highlight that there is evidence that I've considered as a whole from both Santander and Revolut. And it's appropriate for me to do so as they all form part and parcel of the scam journey Mr S faced. That said, I won't be commenting on the specific merits nor outcome of the Revolut complaint in this decision.

It isn't in dispute that Mr S authorised the transactions in question. He is therefore presumed liable for the loss in the first instance. However, Santander is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to be good industry practice at the time, that it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

There was a total of 28 disputed transactions carried out between 21 March and 6 June 2024. Of the disputed transactions, 11 were debit card payments to a cryptocurrency exchange, whilst the remaining payments Mr S was making were transfers to his account with Revolut.

I'm in agreement with our investigator that there was enough going on with his activity that ought to have raised concerns he might be falling victim to fraud, and it ought to have intervened.

That said, we know that during these disputed transactions Mr S had numerous interactions with Santander. This was following blocks it had placed on his account as a result of them, as it had concerns he might be falling victim to fraud.

I don't seek to address every individual interaction that took place as our investigator and Mr S's representatives have. If there is something I've not mentioned specifically, it isn't because I've ignored it – I haven't. I'm satisfied I don't need to comment on every individual point or argument to reach what I consider is a fair and reasonable outcome. Our rules allow me to do this, reflecting the informal nature of our service as a free alternative to the courts.

I've carefully considered whether Santander acted fairly and reasonably in its dealings with Mr S when he made the disputed transactions, or whether it should have done more than it did.

I consider there were a number of interactions where Santander didn't go far enough and it could have enquired better about the payments and why they were being made. I can only ask Santander to reimburse Mr S if I find that any wrongdoing on its part caused his loss. But having carefully considered the interactions that took place not only directly with Santander, but interactions Mr S had as a result of payments lost to the scam through his account with Revolut, I'm not persuaded that would have prevented Mr S's loss.

Although a number of calls didn't go far enough, there were still aspects of the interactions that ought to have resonated with Mr S. For example, when he was advised the likeliness of a scam if he'd been asked to set up an online investment account or wallet and whether a third party/ broker were involved. I'm satisfied Mr S's responses misled Santander and that he was untruthful in his responses. He maintained when asked that there was no involvement of a third party. Santander also regularly asked Mr S the importance of being honest and this would include honesty in the purpose of his payments. Yet, when Mr S was questioned around the movement of his money to Revolut, he regularly maintained this was for his general expenditure/ spending or bills.

It wasn't until a call took place with Santander on 3 May 2024 where the call handler challenged Mr S's responses. The call handler identified Mr S had transferred nearly £10,000 to his Revolut account in the last two weeks – which included two separate loans taken out. Mr S was asked to explain what exactly he was spending that money on. At this stage he advised the call handler he was also buying cryptocurrency. Mr S is specifically asked whether any third party had contacted him in regards to buying or purchasing cryptocurrency or setting up a cryptocurrency account – he responded no. The call handler proceeds to provide Mr S with a warning relevant to cryptocurrency investment scams. I'm satisfied this warning covered the circumstances of the scam Mr S was experiencing and he ought to have heeded that warning. Mr S continued to maintain there was no third-party involvement. That said, the call handler did not stop there. He went on to warn Mr S about the use of loans to fund the purchase of cryptocurrency and if he could not afford to put the money in, he warned against him doing it. The call handler advised that *'if anything goes wrong, you'll be at a loss and you'll have to repay the loans as well'*. Despite the warnings provided by the call handler, Mr S acknowledged he was comfortable with proceeding.

I would also point out that when Mr S had numerous interactions with Revolut in relation to payments that were lost to the same scam, he repeated the same response when questioned about the involvement of any third parties.

I consider that Mr S found these interactions to be an inconvenience as he expressed to the scammer that *'Banks are too restrictive now'*. He was aware of the likeliness of large transfers being blocked and he specifically referred to such interactions as being *'Time consuming'*.

I've also carefully reviewed the scam chats provided by Mr S. It's evident there were other chats as these are referenced – but these haven't been presented. But what I have seen from the available scam chat is Mr S regularly being guided throughout the scam. This included instances when Mr S is prevented from carrying out transactions, limits on those transactions and conversations around blocks. And when Mr S borrows a significant sum of money (£31,000) from a friend – which is lost to the scam, it's clear that Mr S has told them about what he's doing because he tells the scammer that *'I have a friend who is willing to help she is worried though if something goes wrong, if you don't release the funds and she won't get back her money. Don't know to convince her any ideas'*. The chat also shows that Mr S was seeking to introduce a friend to the alleged investment and he goes so far as to explain to the scammer that even his friend considered the investment *'too good to be true'*. Yet Mr S still continued to make payments towards the scam.

I also don't agree with Mr S's representatives that the circumstances were such it ought to have invoked Banking Protocol when considering the interventions that did take place and how Mr S responded.

This was a sophisticated scam where Mr S had been subject to social engineering and was being coached by the scammer. It's evident he was under their spell and was convinced the initial losses made under the scammer's instructions were entirely of his own doing and his fault. Furthermore, Mr S failed to heed any concerns about it from friends let alone any warnings that had been presented to him from both Santander and Revolut. Taking everything into account and having reviewed the evidence presented by both parties, for the reasons I've set out above I don't consider Santander could have reasonably prevented Mr S's losses to the scam.

I've also thought about what Santander did once informed that Mr S's payments had been made as the result of a scam. Mr S transferred/ made payments to an account in his name. From there, he purchased crypto assets and moved them into a wallet address of his

choosing (albeit upon the scammers instructions). As such there wouldn't have been any realistic prospect of recovery for any of the disputed transactions.

My final decision

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 25 September 2025.

Mark O'Connor
Ombudsman