

The complaint

Mr H complains about Santander UK Plc.

He says that Santander didn't do enough to protect him when he fell victim to a scam and would like it to refund him the money he has lost.

What happened

Mr H unfortunately fell victim to a scam and made payments totalling £41,958. The scammer told Mr H that they would be able to recover some money he had lost to an earlier scam.

He made a complaint to Santander about what happened.

Santander refunded 50% of the last payment made to the scam and managed to recover £2,120.59 which was returned to Mr H, leaving him with an outstanding loss of £35,000.91.

Santander declined to refund in full as it said that the other payments were made to an account in Mr H's name – and so the Lending Standards Board Contingent Reimbursement Model CRM Code (CRM Code) didn't apply to these payments, and Mr H should have taken more care before making the payments.

Mr H brought his complaint to this Service with the support of his social worker.

Our Investigator looked into things and said that they were satisfied that all of the payments fell under the CRM code – and that Mr H had demonstrated that he was unable to protect himself from the scam as he was vulnerable.

They said that Santander should therefore refund Mr H all of his remaining losses.

Santander disagreed. It said that it didn't agree Mr H was vulnerable at the time of the scam transactions.

Our investigator attempted to mediate with Santander, but it asked for a final decision on the complaint, so it has been passed to me.

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 have decided to uphold this complaint. I will explain why.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

In broad terms, the starting position is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. There's no dispute here that Mr H authorised the payments.

However, where a customer makes a payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payment. When thinking about what is fair and reasonable in this case, I've considered whether Santander should reimburse Mr H in line with the provisions of the CRM Code it has signed up to.

Firstly, like our Investigator, I am satisfied that the payments Mr H made to G (a crypto exchange) are covered under the CRM code. Mr H has explained that he's unable to clarify how the account with G worked – he isn't sure if it was set up by him, or if the scammer did it. He said that the scammer explained that they would take care of everything and that he did provide them with some identification as well as granting them access to his device. He also hasn't been able to explain what happened to the funds once they went into the account with G. So, I'm satisfied that Mr H didn't have full control or access to the account, and that the CRM code therefore applies to these payments.

Under the CRM Code the starting principle is that a firm should reimburse a customer who is the victim of an APP scam, like Mr H. The circumstances where a firm may choose not to reimburse are limited and it is for the firm to establish those exceptions apply. R2(1) of the Code outlines those exceptions. I haven't outlined them here as they are not relevant in this particular case.

Vulnerability under the CRM Code

Section R2(3) of The Code also requires firms to assess whether a customer is vulnerable to the APP scam they fell victim to. It says:

'A Customer is vulnerable to APP scams if it would not be reasonable to expect that Customer to have protected themselves, at the time of becoming victim of an APP scam, against that particular APP scam, to the extent of the impact they suffered. This should be assessed on a case-by-case basis'.

The CRM Code also says that in these circumstances, the customer should be reimbursed notwithstanding the provisions in R2(1), and whether or not the firm had previously identified the customer as vulnerable. As this provision under the CRM Code might lead to a full refund, notwithstanding the provisions in R2(1), this is the starting point for my decision in this particular case.

Mr H, with support from his social worker, has shared information about his particular circumstances. It is clear that Mr H was not well prior to the scam taking place, and that the medical issues he has suffered from have impacted his cognitive abilities to the extent that he didn't fully understand what was happening to him. It is also clear that Mr H is still unable to explain how the scammer promised him that he would be able to retrieve the money that he has lost to an earlier scam.

I understand that Santander suggest that although Mr H is now having trouble remembering what has happened, this doesn't mean that he was vulnerable at the time, and that he was running a business and managing his finances during this period. It suggests that Mr H's current circumstances should have no bearing on what happened at the time of the scam.

However, I disagree. Mr H has provided information that shows his medical issues pre-date the scam taking place – and although he may have been running his own business and finances, he had been doing so for some time. This doesn't mean that he wasn't vulnerable to a scam. And having listened to the calls that took place between Mr H and Santander prior to some of the payments being released, I think it is clear that Mr H was having trouble understanding what was happening or why he was making the payments.

Therefore, I am satisfied that Mr H was vulnerable at the time of the scam.

The CRM Code is clear that if a customer meets the definition of vulnerability set out under the CRM Code that exceptions to reimbursement (such as reasonable basis for belief, ignoring effective warnings and gross negligence) do not apply.

So, I haven't gone on to consider whether any of the exceptions under the CRM Code would have (otherwise) applied in this case.

Putting things right

Santander UK Plc should refund Mr H his remaining losses in full and pay him 8% simple interest from the date it first rejected his claim under the CRM Code (less any lawfully deductible tax).

My final decision

I uphold this complaint. Santander UK Plc should put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 23 October 2025.

Claire Pugh
Ombudsman