

The complaint

Mr G has complained that Santander UK PLC won't refund money he lost to scam.

What happened

Mr G has said he saw an advert to invest which was endorsed by a celebrity as such he was fraudulently induced to invest funds into an exchange for Crypto currency. He was able to make some withdrawals which made Mr G believe the investment was genuine.

The transactions appeared on Mr G's statements as follows:

Date	Payment type	Amount
23/07/2019	International payment	£5,000
21/08/2019	International payment	£20,000
28/08/2019	International payment	£24,000
10/10/2019	International payment	£45,000
29/11/2019	International payment	£45,000

Mr G has said this could have been prevented if Santander had intervened sooner, therefore he raised the complaint with Santander. Santander looked into Mr G's complaint; it said the information it held was limited due to the time that had passed since the payments were made and when Mr G reported the scam to Santander. Santander has said some of the payments did trigger its systems for further checks due to the size of the payments and ultimately ended up being released. As a result, it didn't think it had done anything wrong and it wouldn't refund the funds Mr G lost.

Mr G remained unhappy and referred the complaint to our service. Our investigator looked into Mr G's complaint; he didn't agree it should be upheld. As such Mr G asked for the complaint to be passed to me to consider.

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 agree with the investigator's findings for broadly the same reasons, I will explain why.

In broad terms, the starting position in law is that a bank is expected to process payments that their customer authorises them to make. It isn't disputed that Mr G knowingly made the payments from his account and so, I'm satisfied he authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of his account, Santander is expected to process Mr G's requests, and he is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Santander to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

The question then arises whether Santander ought reasonably to have held such suspicions or concerns in relation to Mr G's payments - and if so, what might've been expected from a proportionate intervention at that time.

So, taking all of this into account, I need to decide if Santander acted fairly and reasonably in its dealings with Mr G when he made the payments. Specifically, whether it should've done more than it did before processing them – and if it had, would that have made a difference. I also need to decide if Santander could've reasonably recovered the lost funds.

It's not in dispute that some of the payments ought to have appeared uncharacteristic and unusual compared to Mr G's usual account activity. I say this because, Santander explained it did intervene on some of the payments (as they were originally blocked) and our investigator also made the findings that some of the payments warranted an intervention from Santander.

I note Mr G's representative in its correspondence to our service when asking for the case to be passed to me to consider has raised this point again. For clarity, all parties agree the payment Mr G made on 21 August 2019 for £20,000 ought to have triggered Santander's fraud detection systems.

So, with that in mind, I have gone on to consider what a proportionate intervention in light of the risk presented would be in these circumstances. In doing so, I've taken into account that many payments that look very similar to this one will be entirely genuine. I've given due consideration to Santander's duty to make payments promptly, as well as what I consider to have been good industry practice at the time this payment was made, especially given the payments were made in 2019. I have also taken into consideration that Santander has provided evidence to show that some of these transactions were originally blocked and subject to further checks (due to them being over the floor limit) prior to them being authorised. However, due to the passage of time, it has been able to provide further information, such as what intervention took place or what questions were asked of Mr G.

Taking that into account, I think it would have been proportionate at that time for Santander to have contacted Mr G (given the size of the payments) and have asked Mr G open and probing question to gather more information regarding the payment to establish (if any) the risk and provide the appropriate warnings. Having considered the transactions and what Santander knew about them at the time I think it ought to have questions such as:

- What the payment was for
- Mr G's investment experience
- Was there a broker involved
- What was he investing in
- What research had he carried out

As I have explained above, I am satisfied Santander did intervene on some of the payments (from payment 2) as we have seen evidence to show the payments were blocked (requiring further checks prior to them being released). However, I am unable to establish what intervention was carried out and so I am unable to establish if our service would deem it

'proportionate'. So, I have gone on to consider, if Santander had intervened, in the way I have highlighted above, would it have unveiled the scam and prevented Mr G's losses.

On balance, I find it more likely than not, that it wouldn't have unveiled the scam. I say this because, Mr G's representative has told our service that Mr G conducted due diligence prior to investing, searched the company and the website and he felt it looked professional and legitimate. Mr G was also subject to a 'know your customer' check prior to making the investment which again reinforced the legitimacy (in Mr G's eyes) of the investment. As such, Mr G was confident the company was legitimate and at that time, even if Santander had researched the company, it wouldn't have found any adverse information linking it to a scam.

Mr G has also told our service he was able to watch his investment grow, and "he was happy with the investment from 2019 to 2021, after which he never received any further contact". So on balance, this, alongside the fact Mr G was able to make withdrawals, I am satisfied, even if Santander had intervened in the way I have outlined above, it was unlikely Santander would have unveiled the scam and prevented Mr G's loss.

I also can't ignore the fact that evidence has been provided to demonstrate further checks were completed when the payments (from payment 2) were blocked. And in order to release these payments Santander would have needed to be satisfied there was no risk of a scam. And while I can't be certain on what intervention/questions were asked, based on what I have highlighted above and the fact when Mr G had lost contact with the scammer (and hadn't recuperated the funds he had lost) he still wasn't certain it was a scam, I am satisfied the information provided to Santander was enough to assure it Mr G wasn't at risk.

I have gone on to consider if Santander took reasonable steps to try and recover the funds. Mr G sent the last payment on 29 November 2019 and reported the scam on 26 November 2024. Which was almost five years after sending the last payment in dispute. Due to the time that had passed from the scam occurring and when it was reported and in conjunction with Mr G confirming the payment was an international payment, I am satisfied it was always unlikely the funds would have been recoverable.

All things considered, and despite my natural empathy for this cruel scam and the situation Mr G finds himself in having lost his money, I'm not persuaded Santander taking different actions would have prevented the payments being made, or the loss that ensued, for the reasons I have explained. It follows that I do not consider it fair or reasonable to require Santander to do anything beyond what it has already done for this complaint.

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 Mr G to accept or reject my decision before 26 December 2025.

Jade Rowe
Ombudsman