

The complaint

Mrs B complains that Santander UK Plc ('Santander') won't refund the money she lost after falling victim to a scam.

What happened

The background to this complaint isn't in dispute, so I won't go into detail. But, in summary, this is my understanding of the complaint.

In 2021, Mrs B was introduced to an investment opportunity by a coworker. Mrs B says the coworker had invested and been able to withdraw funds. The investment was with a company I'll refer to as H. But Mrs B would make payments to a company I'll refer to as A, who were acting as a concierge service.

Mrs B was told that she would earn a daily reward, it was low risk, she had nothing to lose, and it had been 100% certified and tested.

Unfortunately, H and A were operating a scam.

Mrs B made the following payments from her Santander account. The payments to P were to purchase cryptocurrency which was paid into a cryptocurrency wallet in Mrs B's name, before the funds were moved on as part of the investment.

Date	Pmt	Details of transaction	Amount
9.3.2021	1	Payment to A – fully refunded	£3,640
19.3.2021	2	Payment to A – fully refunded	£3,660
24.3.2021	3	Payment to A – fully refunded	£250
24.3.2021	4	Payment to A – fully refunded	£25
30.3.2021	5	Payment to A – fully refunded	£1,560
25.5.2021	6	Payment to A – fully refunded	£7,100
18.7.2021	7	Payment to A – fully refunded	£3,273
2.10.2021		<i>Withdrawal from cryptocurrency wallet held with P</i>	<i>£1,532.90 cr</i>
5.10.2021		<i>Withdrawal from cryptocurrency wallet held with P</i>	<i>£2,255.89 cr</i>
6.11.2021	8	Payment to A – fully refunded	£3,750
9.11.2021	9	Payment to A – fully refunded	£4,504
30.12.2021	10	Payment to P – cryptocurrency exchange	£740
30.12.2021	11	Payment to P – cryptocurrency exchange	£50
5.1.2022	12	Payment to P – cryptocurrency exchange	£175
7.4.2022		<i>Withdrawal from cryptocurrency wallet held with P</i>	<i>£1,733.44 cr</i>
16.4.2022	13	Payment to P – cryptocurrency exchange	£500
1.5.2022	14	Payment to P – cryptocurrency exchange	£1,100
4.5.2022	15	Payment to P – cryptocurrency exchange	£14,350
12.5.2022	16	Payment to P – cryptocurrency exchange	£2,050

Mrs B raised a fraud claim with Santander in April 2024, asking that they refund her.

Santander initially told Mrs B that they couldn't give her an answer on her claim, under R3 (1) (c) of the Contingent Reimbursement Model Code (CRM Code), as a statutory body was still investing. Ultimately, Santander told Mrs B that they would refund 100% of the payments she made to A under the CRM Code. However, they wouldn't refund the payments to P, as the funds were transferred to a cryptocurrency wallet held in Mrs B's name. This meant that payments to P weren't covered by the CRM Code and Santander don't believe they're liable for the loss. Santander told Mrs B she should raise a complaint with the cryptocurrency wallet provider.

Mrs B wasn't happy with Santander's response, so she brought a complaint to our service.

An investigator looked into Mrs B's complaint and said Santander had already refunded more than they would've recommended.

Mrs B didn't agree with the investigator's opinion and asked for an ombudsman to review her complaint. Mrs B feels she should be entitled to a full refund.

Having reviewed the case, I reached the same answer as the investigator. But I wanted to address points not covered in their view. So, I issued a provisional decision explaining why and giving both parties a chance to respond before I issued a final decision.

My provisional decision

In my provisional decision I said:

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in light of the available evidence.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

The first nine payments Mrs B made to A

Santander are a signatory to the CRM Code which requires firms to reimburse customers of Authorised Push Payment (APP) scams like this, in all but a limited number of circumstances.

Santander have accepted that Mrs B was the victim of a scam and that they didn't meet the requirements set for them under the CRM Code. On that basis, they have fully refunded Mrs B for the first nine payments.

For completeness, I agree that Mrs B was the victim of an APP scam, as described in the CRM Code. In their view, shared with both parties, the investigator set out in detail the evidence supporting the position that H and A took investors' funds with a different purpose in mind and that funds weren't used for their intended purpose. As these payments have already been refunded in line with the CRM Code, I don't intend to go into further detail on this point in my decision.

Payments 10 to 16 made to P

The CRM Code doesn't cover payments made between accounts held in a customer's own name. It covers payments transferred to another party. As these payments were made to a cryptocurrency wallet which Mrs B had access to, I can't apply the CRM Code to these payments.

I'm satisfied that the cryptocurrency wallet was in Mrs B's name and that she had access to it, as she has provided a screen shot which shows her log in details.

But, taking into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Santander should fairly and reasonably have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams.

Also, I'd expect Santander to have systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). And where a potential risk of financial harm is identified, to have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – as in practice all banks do.

I wouldn't have expected Santander to intervene on any of the payments to P, until payment 15. I say this as the previous payments weren't unusual or out of character compared to Mrs B's usual account activity. The payments prior to payment 15 were for relatively low individual amounts, and I wouldn't have expected Santander to have identified a potential risk of financial harm from fraud. However, payment 15 was significantly larger than any prior payments, and while it was a transfer to an existing payee, I still would've expected Santander to have been concerned and intervened.

As part of that intervention, I would've expected Santander to have called Mrs B and asked her questions about the purpose of the payment.

While Santander didn't intervene, when I believe it should've, that doesn't mean that Mrs B is automatically entitled to a refund. I have to consider what I think is more likely than not to have happened as a result of the intervention.

I think if Santander had asked why Mrs B was the making the payment, it's more likely than not she would've been honest that she was investing with H. In response Santander should've asked follow-up questions, which might've included: how she found the investment, whether she had control or access of her account with H, whether she had received any returns, what return she was expecting to get and what checks she had done on H and A.

I think it's likely that Mrs B would've told Santander that she was expecting a daily return, was told it was low-risk and that returns were guaranteed – which would've been concerning for Santander. But I also think she would've told them that she had received three withdrawals from her investment, had met with the director of A more than once, she had researched both H and A, their owners and locations, and she had seen positive reviews online.

As some of the information that Mrs B gave was likely to be concerning, I would've expected Santander to have provided a cryptocurrency investment scam warning. This should've explained these types of investments are inherently high-risk, and that a genuine investment wouldn't guarantee a return.

Santander may've recommended that Mrs B check the Financial Conduct Authority's website for any warnings about H and A, and that she seek independent advice on the suitability of the investment.

However, I'm not satisfied that I can say it's more likely than not Mrs B would've heeded this warning and not proceeded with making these payments. I say this because, by the time she made payment 15, I think Mrs B was fully under the spell of the scammers. I think the withdrawals she had made would've reassured her that the investment was genuine. Also, the FCA warning only said that H weren't authorised and were providing services without the FCA's permission. It didn't directly say that H was likely a scam, as that information didn't become available until after Mrs B had made all of her payments.

So, I'm not satisfied that I can fairly say Mrs B wouldn't have proceeded with making the last two payments, even if Santander had provided an investment scam warning. I think it's more likely than not, at that stage, she would still have made the payments.

As I'm not satisfied that Santander intervening on payment 15 would've prevented Mrs B's loss, and because I wouldn't have expected intervention on payments 10 to 15, I can't fairly say Santander could've prevented Mrs B's loss. On that basis, Mrs B isn't entitled to a refund for any of the payments she made to P.

The refund Santander have paid

I note that Santander fully refunded payments one to nine and didn't deduct the returns/withdrawals that Mrs B was able to make in October 2021 from her cryptocurrency wallet.

I would've recommended these returns be taken into account in working out Mrs B's refund, so Santander has already paid Mrs B more than I would've recommended. On that basis, I can't fairly ask Santander to pay anything further.

I'm really sorry to disappoint Mrs B, as I know that the loss of these funds has had a serious impact on her and her family's wellbeing. But, based on the evidence, I'm not satisfied that I can fairly ask Santander to refund any further money.

My provisional decision was that I didn't intend to uphold this complaint.

Responses to my provisional decision

Santander didn't respond to my provisional decision.

Mrs B responded saying she didn't have any further comments or points she wanted to raise.

As the deadline for responses to my provisional decision has expired, I'm going to proceed with issuing my 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.

As neither party have provided any new evidence or arguments for me to consider, I see no reason to reach a different answer than I did in my provisional decision.

In summary

I'm satisfied that Santander have already refunded Mrs B more than I would've recommended.

I say this because Santander refunded Mrs B in full for the first nine payments under the CRM Code, which is what I would've recommended.

The remaining payments aren't covered by the CRM Code. And, even if Santander had intervened, I'm not persuaded that it would've prevented Mrs B from making any further payments or prevented her loss. So, I can't fairly hold Santander liable for these payments.

Based on the evidence, I'm not satisfied that I can fairly ask Santander to refund anything further.

My final decision

My final decision is that I don't uphold this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 15 September 2025.

Lisa Lowe
Ombudsman