

The complaint

Mr J complains that Santander UK Plc won't refund the money he lost as a result of a romance scam. Mr J is represented in this complaint, but I'll refer to him as it's his complaint.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr J was using a dating app and, in October 2024, he met Person X (the scammer). They quickly struck up an on-line friendship and started to communicate most days. This friendship soon turned into a romance that went on until January 2025.

X told Mr J about her crypto / trading success and, although he was initially reluctant, she influenced him to start investing in a crypto trading platform that she controlled.

Mr J could see trades and graphs that led him to believe he was making a profit and persuaded him to invest more money.

To make payments Mr J transferred funds from his Bank H account to Santander and then to a crypto account. He made the following 5 payments totalling £40,450.

Payment Number	Date	Payment Method	Payee	Amount
1	6/11/24	Faster Payment	Mr J's account with Company C	£20
2	6/11/24	Faster Payment	Mr J's account with Company C	£2,330
3	7/11/24	Faster Payment	Mr J's account with Company C	£13,100
4	7/11/24	Faster Payment	Mr J's account with Company C	£1,000
5	8/11/24	Faster Payment	Mr J's account with Company C	£24,000
Total				£40,450

Mr J was planning to meet X and thought he had made a good profit. But when he was pressurised to pay more money and told his trades would be frozen if he didn't pay a fee, he suspected something was wrong and came to the devastating realisation he had fallen victim to a cruel scam.

Mr J complained to Santander, Bank H and Bank C seeking a refund of his loss. Bank H gave him a 50% refund (£9,495) of the £18,990 they transferred to Santander but, as they couldn't see that they'd done anything wrong, Santander and Bank C didn't.

Mr J brought his complaint about Santander and Bank C to our service. Our investigator didn't agree that Bank C had done anything wrong (which has since been accepted by Mr J) but thought Santander could've prevented Mr J's loss by intervening on payment 3 and 5. So, in line with our approach where a) more than one business is involved and one has

partly refunded b) there has been contributory negligence from the customer, his view was that Santander should provide Mr J with:

- A refund of 50% of payments 3 and 4 for £13,100 and £1,000 on 7 November 2024.
- A refund of 16% of payment 5 for £24,000 on 8 November 2024. This is because Bank H has already provided him with a 50% refund of the £18,990 payment sent to Santander that subsequently funded this particular payment.
- Apply 8% interest to the refunds from the date of the payments detailed above until the date of settlement.

Mr J accepted the view of our investigator, but Santander disagreed and are of the opinion that Bank C should be approached for a refund. So, this complaint has been passed to me to look at.

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, my decision is the same as that of our investigator and to partially uphold this complaint. And I'll explain why.

I should first say that:

- I'm very sorry to hear that Mr J has been the victim of this cruel scam and lost a significant amount of money here.
- In making my findings, I must consider the evidence that is available to me and use it to decide what I consider is more likely than not to have happened, on the balance of probabilities.
- I'm satisfied that the APP Scam Reimbursement Rules, introduced by the Payment Systems Regulator in October 2024, for customers who have fallen victim to an APP scam, don't apply:
 - To payments to another account under their control.
 - To Bank C, as the payments were sent to an account in B's name and were then sent to a cryptocurrency wallet.
- I don't think it would've been reasonable to have expected Santander to recover the funds considering they were made through another account and sent on in crypto.
- The Payment Services Regulations 2017 (PSR) and FCA's Consumer Duty are relevant here.

PSR

Under the PSR and in accordance with general banking terms and conditions, banks should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. There's no dispute that Mr J made the payments here, so they are considered authorised.

However, in accordance with the law, regulations and good industry practice, a bank should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

Banks do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions. So, I consider Santander should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.
- 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). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

Consumer Duty

Also, from July 2023 Santander had to comply with the Financial Conduct Authority's Consumer Duty which required financial services firms to act to deliver good outcomes for their customers. Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, Santander was required to act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud. Santander was also required to look out for signs of vulnerability.

With the above in mind, I first considered whether Santander:

Should've recognised Mr J was at risk of financial harm from fraud and put in place proportionate interventions

Santander should've been aware that all five payments were going to a crypto account which meant the payments had a heightened risk of fraud and / or scams. Also, because of this and volatility their regulator issued a warning that customers could lose all their money.

Also, Santander should've been on the lookout for unusual transactions and patterns and here Mr J was making two large payments from his account, totalling £37,100, in two days to a new payee which was out of character and unusual.

Considering the above, and their awareness of scam types, what they look like and what they involve such as the payment journeys that they can take, I would also have expected Santander to have put in place a human intervention for the two large payments (payments 3 and 5) so they could explore what was happening, give educational information, risk warnings and by asking open probing questions possibly detect a fraud or scam.

I can't see that Santander did any analysis, considered questioning these payments or have provided sufficient evidence to persuade me that the payments weren't unusual or high risk, and it wasn't proportionate for them to put in place any intervention where they questioned and probed what was happening.

Santander consider that they were denied the chance to give Mr J a relevant automated warning. I don't think an automated warning was proportionate to the risk here and below I explain why I think it wouldn't have been sufficient here. But I also I think Mr J not giving a

payment reason ought to have added further weight to their need to intervene on these payments to probe in order to protect him from financial harm.

Having established that Santander should've put in place human interventions at payment number 3 and 5, I then considered:

What would've likely happened upon human intervention calls and whether these would've resulted in the scam being unravelled and prevented some of Mr J's loss

I think a Santander fraud and scam agent would've likely asked the following type of open questions and then probed Mr J's answers to give him the best educational information, appropriate warnings and to try and detect a scam:

- Payment purpose.
- Checks and research completed.
- Expected returns and ability to withdraw.
- Third parties, brokers or recovery agents advising of fees.
- Third party communications including requests to deceive the bank.

Having read Mr J's submissions and closely reviewed his daily dialogue with X, I can't see any evidence of X enquiring about his bank withdrawals / payments, persuading him to withdraw low amounts to circumvent bank checks or persuading and / or coaching him to deceive his banks. And Mr J's payments from Bank H and Santander were for unusual large amounts that, as mentioned, I would've ordinarily expected to have drawn attention and attracted intervention. So, I think it more likely than not that he would've given open and honest answers to the above type of typical questions.

I recognise that Santander were prevented from giving Mr J a warning as he didn't give the reason for his payment. Although there isn't an explanation on file, and this could possibly be a deliberate attempt to circumvent checks, the evidence (dialogue with X and Mr J using 'crypto' as a reference) suggests this wasn't the case and it may well have been an administrative error or because he wrongly thought he wasn't at risk due to being guided by a person he considered to be trusted and expert.

I'm not persuaded that Bank H's automated warning would've resonated with Mr J. This is because it was about 'paying myself'. Also, Bank H recognise this and that they should've intervened.

It isn't possible to know if a better automated warning about crypto and investment scams would've unravelled the scam. Although I appreciate Santander may think this and that Mr J prevented this happening (by not giving a reason), X's cunning tactics meant that Mr J was quickly under her spell and trusting of her. So, I think only probing questions combined with education (on how friendship / romance and investment scams work) would've made Mr J realise he was at risk. And, as mentioned above, considering the very large and unusual amounts he was suddenly paying to a new crypto payee, I think a human intervention should've occurred.

Upon a human intervention, and probing questions, I think Mr J would've explained the trading platform he was using, that he was being helped and guided by an expert and he had made some early profits but hadn't yet made a withdrawal. I then think an agent would've quickly:

- Become suspicious about who he was receiving help and guidance from.
- Probed how he met this person and whether he had actually met them.
- Probed who the trading was with and how the trading was controlled.

- Given educational information on typical scams and how this sounded like a typical scam.
- Given guidance on the checks he should complete and the controls he should put in place.

Although X quickly had Mr J under her spell, I noted how at the time of these payments that Mr J's relationship with X was still forming and that Mr J had a friend who had been scammed. So, although I think he wouldn't have wanted to believe X was a scammer, I think he would've changed his approach – undertaking diligence on X (including meeting / seeing her), control of his crypto wallet and importantly not going ahead with the payments 3 and 5. And, even if he still wanted to go ahead, I think the information he provided to a Santander agent would've led to them blocking the payment and restricting his account.

So, I think it's more likely than not Mr J would have decided not to go ahead with the payment, the scam would've been unravelled and his losses from payment 3 could have been prevented.

Contributory negligence

I noted that our investigator looked closely at contributory negligence and thought it applied here. I also considered this as there's a general principle that consumers must take responsibility for their decisions.

Although I recognise how clever these cruel scammers are and in no way blame Mr J, I think he should've been more diligent before making the payments. Mr J is understandably devastated by this scam and accepts the 50% deduction in a refund. Due to his acceptance and the fact that I've touched on diligence (he hadn't physically met X, had only known her for a few weeks, was wary of crypto investments, wasn't in control and could've seen warnings about such scams) I won't further elaborate on contributory negligence. But I'm satisfied it does apply here.

Putting things right

In a situation where both the customer and the business are equally at fault, I think it is only fair and reasonable for liability to be shared.

So, my decision is also to partially uphold this complaint, and I require Santander UK Plc to make:

- A refund of 50% of payments 3 and 4 for £13,100 and £1,000 on 7 November 2024.
- A refund of 16% of payment 5 for £24,000 on 8 November 2024. This is because Bank H has already provided him with a 50% refund of the £18,990 payment sent to Santander that subsequently funded this particular payment.
- Apply 8% interest to the refunds from the date of the payments detailed above until the date of settlement.

My final decision

For the reasons mentioned above, my final decision is to partially uphold this complaint against Santander UK Plc, and my requirements are detailed in the above putting things right section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 5 December 2025.

Paul Douglas
Ombudsman