

The complaint

Miss L has complained Santander UK Plc failed to return funds she lost when she fell victim to a job scam.

The complaint was brought to us through a representative but for ease I will refer to their comments as being Miss L's.

What happened

Miss L said she was looking for working from home opportunities online and saw an advert for flexible working which she expressed an interest in. She was then contacted through a messaging app by someone who said they were a recruiter for a well-known online retailer, I will refer to as "Z" in this decision.

The job involved completing tasks for commission. Miss L was set up with an account with Z which she was required to top up with funds in order to be able to take on tasks. Miss L said she started the job and was initially able to withdraw £110.61 which encouraged her to continue. Nevertheless, the amounts she was asked to pay into her account kept increasing and at some point she was told she had incurred a penalty that she had to pay in order for her accumulated pay to be released. She said she borrowed money to bring her balance back to a positive figure and paid the penalty but ultimately wasn't allowed to make any more withdrawals.

Unfortunately, the job turned out to be a scam and the platform Miss L was using for work was fake. In fact, the transfers she was making were going to the scammers.

Miss L made payments to a cryptocurrency exchange (C) she had been asked to open an account with by the scammers and then onto Z's platform. Below is a table of the relevant payments and credits into Miss L's account:

No	Date	Type of payment	To	£
1	27/10/2024	Faster payment	C	-56.00
2	27/10/2024	Faster payment from C	Santander	110.61
3	28/10/2024	Faster payment	C	-365.00
4	28/10/2024	Loan from M	Santander	450.00
5	28/10/2024	Faster payment	C	-505.00
6	28/10/2024	Loan from Z	Santander	3,000.00
7	28/10/2024	Faster payment	C	-2,430.00
8	28/10/2024	Loan from L	Santander	1,000.00
9	31/10/2024	Loan from M1	Santander	400.00

10	1/11/2024	Faster payment	C	-1,623.00
11	1/11/2024	Faster payment	C	-605.00 (declined)
			Total paid to scammers	4,979.00
			Total credited from scammers	110.61
			Total borrowed	4,850.00

Santander stopped payment 11 and asked Miss L to call the bank. When it spoke to her it said it had concerns she was being scammed. Miss L made no further payments after this conversation and called Santander the following day and confirmed she had been scammed.

Miss L complained to Santander through her representatives in November 2024. She said Santander failed to recognise that the payments were unusual for her account and failed to intervene and issue her with appropriate warnings. Had it done so, this would have prevented her from being scammed. She said she wanted a full reimbursement of all the funds lost plus interest and £300 compensation.

Santander rejected the complaint and said it was unable to issue a refund as the funds were sent to an account in Miss L's name.

Miss L then brought her complaint to our service where it was reviewed by one of our investigators. Our investigator thought the payments were being made to an account which was identifiable for the purchase of cryptocurrency and that Santander should have intervened before payment 7. Had it done so, Miss L wouldn't have proceeded with this and the £1,623.00 payment. Our investigator said Santander should refund 50% of payments 7 and 10 plus interest. She thought there were some red flags which Miss L ignored and that she should share equal responsibility with Santander for her losses.

Miss L agreed with our investigator, but Santander didn't. It said that the payments were going to Miss L's own trusted bank account (with bank C1) and not to a cryptocurrency account and that it had no reason to intervene. It said it initially gave a detailed warning before payment 1 and as Miss L confirmed she was happy to proceed with payments to the specific account, it provided more generic warnings thereafter. It said Miss L should refer the matter to C1.

Santander asked for an ombudsman's decision and the matter was 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.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, guidance and standards, codes of practice, regulators' rules and where appropriate, I must also take into account what I consider to have been good industry practice at the time.

The starting position in law is that a bank such as Santander is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account. Miss L accepts that she authorised all the payments in question and so she is presumed liable for them in the first instance. However, that isn't the end of the story.

It isn't in dispute that Miss L was the victim of a scam. Where the customer made the payments 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 payments.

So, I consider it fair and reasonable that in October and November 2024 Santander should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had 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 firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including, for example, the use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

When should Santander have intervened and were those interventions adequate?

These transactions (purchasing cryptocurrency) of themselves are not a scam but rather genuine transactions for the genuine purchase of cryptocurrency. The scam happened after that via a cryptocurrency wallet in Miss L's own name she set up as part of the scam.

Buying cryptocurrency is a legitimate activity and the payments were made to a genuine cryptocurrency exchange. The payments were also to an account in Miss L's own name. I appreciate the loss happened from Miss L's cryptocurrency account, but Santander ought to fairly and reasonably be alert to fraud and scams and these payments were part of a wider scam, so I need to consider whether it ought to have done more when Miss L tried to make the payments.

I am aware that scams involving cryptocurrency had become increasingly prevalent and well known to banks. But I think it was reasonable for Santander to take into account a range of factors when deciding whether to intervene. I am mindful that banks can't reasonably be

involved in every transaction. There is a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments. Looking at the recent activity on Miss L's account, she mainly used it for low value transactions for example she had made a faster payment in April 2024 for £338.52. Whilst not insignificant to Miss L - payments 1,3 and 5 were still relatively low in value. I appreciate they were going to a cryptocurrency provider, but I don't think the pattern of payments and the values were consistent with a heightened risk of financial harm. So, in the overall circumstances, I don't think Santander needed to do anymore before it processed these payments.

Nevertheless, Santander did intervene before payment 1. It provided a written warning stating that criminals will impersonate it or the police and other public services and said it was important Miss L provided the true reason for the payment. It also warned her that criminals will pressure her into making urgent payments to new or "safe" accounts. Miss L carried on with the payment and confirmed she hadn't been asked to mislead Santander. Santander said it relied on Miss L's responses and considered that she was happy with subsequent payments as they were going to the same account. And so the written warnings it provided after payment 1 were less detailed and only warned her to check the payment details and the reason for each payment was genuine and to cancel the payment if at all nervous.

Whilst I don't think Santander needed to do any more than it did before processing payments 1,3 and 5, I don't necessarily agree that because Miss L confirmed she was happy with payment 1 this meant that this also applied to subsequent payments made to the same account. I think Santander should have still been monitoring any activity it considered concerning. And I think this is something it recognises bearing in mind it intervened further before payment 11, which was also made to the same account.

But by the time Miss L made payment 7, I think Santander ought to have been concerned about the activity on the account and intervened further. I say this because a pattern was forming of increasing amounts being paid to cryptocurrency in a short space of time. Payment 7 was the third payment that day (with over £3,000 leaving the account) and five times the amount of payment 5. At the same time the account was being credited with loans. It follows that I think it would have been fair and reasonable for Santander to have intervened before payment 7.

I don't think the written warning Santander said it provided, which I mentioned above, was specific enough to alert Miss L to the fact that she might be the victim of a scam. As I said above, the warning was very generic and only warned Miss L to check the payment and make sure it was genuine. At that point I don't think Miss L would have had any concerns about the payment being genuine and so this warning would not have resonated with her.

Santander reasonably ought to have recognised the destination of the payment and that cryptocurrency transactions carry an elevated risk of the likelihood of the transaction being related to a fraud or a scam. And bearing in mind that, when it did intervene- before payment 11- it considered that human intervention was appropriate, in these very specific circumstances, I think the same type of intervention should have taken place before payment

7. And I say this also bearing in mind that payment 7 was for a much higher amount than payment 11.

If Santander had intervened before payment 7 in the same way it intervened before payment 11, on balance, Miss L would not have made further payments to the scammers. I say this because when Santander spoke to Miss L before payment 11, it asked detailed and probing questions which ultimately alerted it to the fact that Miss L was the victim of a scam. And if it had blocked payment 7 as it did payment 11, on balance, I think Miss L would have reflected on her call with Santander and gone away and done some further research which would have led her to realise that she had fallen victim to a scam. I say this because this is what happened when Santander blocked payment 11. After speaking to Santander, and Santander saying it would block the payment and give Miss L time to think about whether she still wanted it to go through, Miss L went away and did her own research when upon she realised she had indeed been scammed. She called Santander the following day and reported the scam.

Santander has said that the payments were not going to an account which was identifiably for cryptocurrency but to a bank account in Miss L's name with bank C1; and so they carried a lower risk. I have considered this, but I think, on balance, Santander will have been aware that the specific sort code is linked to the specific cryptocurrency exchange and, as far as I am aware, this has been the case for several years. I also think it is very likely that Santander will have seen many transactions going to that sort code before and some may have involved scam claims. Furthermore, Santander's own system notes show the beneficiary as C.

Potential for recovery

I've gone on to consider whether Santander should have done more to recover Miss L's funds, but I don't think that would have been possible. I say this because the money was used to purchase genuine cryptocurrency which Miss L got..

Should Miss L bear any responsibility for the losses?

In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of the complaint.

I recognise that there were relatively sophisticated aspects to this scam including the fake platform the scammers used.

But on balance I think a 50% deduction (for payments 7 and 10) is fair and reasonable in all the circumstances of this case. I appreciate Miss L says that the platform the scammers were using looked very professional and also that the money she was depositing seemed to be going to her own account on the platform. Nevertheless, the fact that she was contacted about the job through a messaging app and provided with no paperwork including an employment contract, I think, should have raised alarm bells. As should the fact that she was asked to make payments herself before she could take out some of her salary. And I think at the point when she was asked to make payment 7, which was for a much higher amount compared to previous payments, she ought to have reasonably had concerns about the legitimacy of the job she was involved in.

For these reasons, I consider it fair to reduce the amount Santander pays Miss L by 50%.

My final decision

For the reasons above, I am upholding this complaint. and asking Santander UK Plc to pay Miss L 50% of her losses in relation to payments 7 (£2,430.00) and 10 (1,623.00). It must also pay her 8% interest per year simple from the date of these transactions to the date it pays her back.

If Santander UK Plc considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss L how much it's taken off. It should also give Miss L a tax deduction certificate if she asks for one so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 26 December 2025.

Anastasia Serdari
Ombudsman