

## The complaint

Mr and Mrs M complain that Santander UK Plc won't refund the money they lost as a result of a scam.

Mr and Mrs M have been represented in their complaint by their son.

## What happened

Both parties are familiar with the background to this complaint, so I'll simply summarise it here.

In brief, in December 2023 Mr and Mrs M received a phone call from someone who claimed to be a relative. The caller claimed that they'd been in a fight, and were facing jail. They said they were desperate for money to enable their release, and would repay Mr and Mrs M twice over. Mr and Mrs M say that not long after the call, they received another call. This time it purported to be from a lawyer. The caller told them they needed to send £4,000 using a transfer service to pay a fine to get the relative released, and he provided account details to send the payment to. Sadly, both calls ultimately turned out to have been made by scammers.

Mr and Mrs M believed the calls were genuine, and asked a longstanding neighbour to take them to a shop where there was a branch of a suitable transfer service. They say they didn't explain why they needed to go there, and the neighbour waited in the car. They sent the money and the supposed lawyer acknowledged receipt.

The person claiming to be a lawyer rang again in the afternoon and said that a further £6,000 would be needed to pay for damage caused by the incident. He provided details of another account to send the money to.

Mr and Mrs M returned to the transfer service, but were only able to send a further £4,000. A member of staff at the transfer service overheard a conversation between Mr and Mrs M and the scammer about sending the further £2,000 and commented that it didn't sound right. They suggested that Mr and Mrs M shouldn't send any more money. Instead, they should go home and talk to their family about it.

Mr and Mrs M say they then returned home and contacted the wife of the family member who the scammer had impersonated, and it quickly emerged that the story was untrue. It was at this point that they realised they'd fallen victim to a scam.

Mr M made the following payments from Mr and Mrs M's joint account, using his Santander debit card:

|   | Date             | Time  | Amount |
|---|------------------|-------|--------|
| 1 | 11 December 2023 | 12:05 | £4,000 |
| 2 | 11 December 2023 | 16:18 | £4,000 |

|  |              |               |
|--|--------------|---------------|
|  | <b>Total</b> | <b>£8,000</b> |
|--|--------------|---------------|

When he made payment 2, Mr M received a text from Santander, asking him to confirm that it was genuinely him making the payment. He confirmed that it was, and the payment was then processed.

Mr and Mrs M believe that Santander should have recognised that the payments were unusual, and should have done more, both to stop the payments from being made in the first place, and to recover the money once they'd been made. Their son has told us that when his daughter phoned Santander and reported the scam, later on the day of the payments, she checked the account online and the payments weren't shown either as having left the account or as pending. He says she asked Santander to stop them, but it said it couldn't do so.

One of our investigators considered the complaint, but didn't think it should be upheld. In summary, she thought that Santander should have phoned Mr M when he tried to make payment 2, and should have asked him questions about what the payment was for. But she thought that even if it had done so, Mr M would still have gone ahead with the payment.

Mr M didn't agree with the investigator's view, so the complaint was passed to me.

After considering all the evidence and arguments provided by both parties, I issued a provisional decision to Mr and Mrs M and to Santander on 5 August 2025. I explained that I was considering departing from the findings reached by the investigator, and upholding the complaint in part. I said:

*"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, and based on the evidence provided, I'm planning to uphold the complaint in part.*

*I've summarised the evidence and arguments using my own words, and in less detail than the parties have provided. No discourtesy is meant by this. If there's something I haven't mentioned, it's not because I've overlooked it. Rather, I've focussed on what I consider to be the key issues, in keeping with our role as an informal dispute resolution service.*

*I'd like to start by saying that I was very sorry to hear that Mr and Mrs M fell victim to a cruel scam. I don't underestimate the impact this will have had on them, both financially and emotionally. But Santander isn't automatically liable for their loss purely because the payments went to a scammer.*

*Mr and Mrs M authorised the payments. I realise that they didn't mean the money to end up with a scammer. But under the Payment Services Regulations, they are considered 'authorised'. Santander had an obligation to follow the payment instructions it received, and Mr and Mrs M are presumed liable for their loss in the first instance. But that's not the end of the matter.*

*In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations, regulators' rules, guidance, standards and codes of practice and, where appropriate, what I consider to have been good industry practice at the time. Taking those things into account, I think that at the time the payments were made, Santander should have been doing the following to help protect its customers from the possibility of financial harm:*

- monitoring accounts and payments to counter various risks, including fraud and scams;*
- keeping 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) – especially given the increase in sophisticated fraud and scams in recent years, with which financial institutions are generally more familiar than the average customer;*
- acting to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring that all aspects of its products, including the contractual terms, enabled it to do so;*
- in some circumstances, regardless of the payment method used, taking additional steps, or making additional checks, before processing a payment, or, where appropriate, declining to make a payment altogether; and*
- being mindful of -among other things – common scam scenarios, how fraudulent practices were evolving (including, for example, the common use of multi-stage fraud by scammers) and the different risks these can present to consumers when deciding whether to intervene.*

*However, there's a balance to be struck. Banks have obligations to be alert to fraud and scams, and to act in their customers' best interests, but they can't reasonably be involved in every transaction. And I think it was reasonable of Santander to consider a range of factors when deciding whether to take any additional steps before making the payments.*

*The transfer confirmations show that the first payment was submitted at 12:05pm and sent at 12:12. The second payment was submitted at 16:18 and sent at 16:30. Both were received by the transfer partner within minutes of being sent. Santander's records show that the SMS message about the second payment was sent at 16:22 – a few minutes after the payment was submitted, and Santander received confirmation from Mr and Mrs M that the transaction was genuine at 16:25. That matches the timings shown on the transfer confirmations.*

*It's not unusual for people to make larger payments than usual from time to time, such as payments for one-off expenses or (particularly in the case of a transfer service), sending money to friends and family. The transfer service Mr and Mrs M used is a genuine long-established service, regulated by the Financial Conduct Authority. It's used by people across the world to make many legitimate transfers every day.*

*While I understand that the payments were a lot of money to Mr and Mrs M, I don't consider that the size or destination of the first payment ought, without more, to have caused Santander to be concerned that Mr and Mrs M were at heightened risk of financial harm from fraud. So I don't think it was wrong of Santander not to intervene when Mr and Mrs M made the first payment.*

*Santander's systems did pick up the second payment as unusual, and it sent Mr and Mrs M an SMS message to check that the transaction was genuine. They confirmed that it was, and the transaction was processed.*

*But like the investigator, I don't think an SMS was enough in the circumstances. The payment took Mr and Mrs M's total payments to the transfer service to £8,000 in one day. I've looked at Mr and Mrs M's bank statements for a year before they made the payments to the scam. The highest payment from the account had been £1,000, around four months previously. Most payments from the account were under £100. And there'd been no other payments using money transfer services. So I think it's fair to say that two payments of this size in quick succession were highly atypical of Mr and Mrs M's spending.*

*I acknowledge that the payments were made more than four hours apart and a substantial balance remained in the account even after the second payment was made. But I consider that given just how unusual the payments were for Mr and Mrs M, Santander should have phoned them and asked them some probing questions about the payment.*

*The investigator thought it was unlikely that a phone call from Santander would have prevented Mr and Mrs M's loss. Mr and Mrs M didn't agree, and it's here that my view differs from the investigator's.*

*As Mr and Mrs M's son has pointed out, when the counter staff at the transfer service suggested that, rather than making any further payments, Mr and Mrs M should go home and talk to family about the request for money, they did so, and the scam was uncovered. I think it likely, on balance, that if Santander had asked sufficiently probing questions about the payments and raised concerns about them with Mr and Mrs M, it's more likely than not that they would, similarly, have contacted the relevant family members, and would have discovered that the story they'd been told was untrue. And I think that as a result, it's unlikely that they'd have gone ahead and made the second payment.*

*I've gone on to consider whether Mr and Mrs M should bear any responsibility for the loss they suffered as a result of the second payment. I understand their reluctance, for various reasons, to speak to anyone about the calls they'd received. But I've borne in mind that in the end, they did so, even if they did so reluctantly. And given that the calls were unexpected and very much out of the ordinary, and they had nearly four hours between the first and second payments, I think they could reasonably have been expected to contact the family members concerned to check whether the calls were genuine. And I don't think it would be fair to hold Santander solely responsible for the fact that they didn't do so. Taking everything into account, I consider Mr and Mrs M should share responsibility jointly with Santander for the second payment.*

*I've considered whether Santander could have done more to recover the money. But because the payments were made by debit card, the only potential avenue for recovery would have been through the chargeback system. And I'm satisfied that a chargeback claim wouldn't have succeeded. This is because the payments weren't made directly to the scammer, but were, as I've commented above, to a legitimate third-party transfer service. This means that the merchant here was the transfer service and not the scammer. The transfer service provided Mr and Mrs M with the service they intended by facilitating the transfer of their money to a third party. Unfortunately that third party ultimately turned out to be a scammer. But that's not grounds for a successful chargeback. The transfer service provided Mr and Mrs M with the service they asked for. So I'm satisfied that a chargeback claim would have failed.*

*Mr and Mrs M's son has complained that Santander didn't transfer his daughter to its fraud department when she first contacted it about the payments. I can understand how that might have been frustrating. But for the reasons I've set out, I don't think there's anything Santander could have done to recall the money, even if it had transferred the call to its fraud department straight away.*

*Finally Mr M's son has told us that Mr M lives with dementia. But he acknowledges that Santander hadn't been notified of this. And Santander says it had no knowledge of any vulnerability or concern about Mr M at the time the payments were made. So while I'm sorry to hear of Mr M's condition, this doesn't alter my view about what's a fair outcome for this complaint.*

*For the reasons I've set out, I don't consider that Santander, which had no involvement in the scam itself, can fairly be held responsible for payment 1, but I think it should share the responsibility for payment 2 equally with Mr and Mrs M."*

And I said that my provisional decision was that Santander should put things right by doing as I've set out under the heading "Putting things right" below.

#### *Further submissions*

Both parties have provided comments on my provisional decision.

Mr and Mrs M's son has commented that his parents were extremely scared, confused and distressed when they made the payments. He's pointed out that the scammer used manipulative and coercive tactics, which left them vulnerable and unable to think clearly. So he thinks Santander should have taken stronger steps to safeguard them, especially in the light of the unusual nature of the payments, and the deviation from their normal account activity.

In the circumstances, he believes that Santander should be required to refund a significantly greater portion of Mr and Mrs M's loss than I recommended in my provisional decision.

Santander says, in summary that the rules for card payments require it to check if the card is being used by the rightful owner, which it did. It says it shouldn't be "*penalised for not using alternate rules that do not apply to card payments*". And it says that it wasn't mandatory for it to call the customer about the payments.

Santander has also questioned whether Mr and Mrs M had a reasonable basis for belief that the payment request was genuine, and has pointed out that the scammer spoke to Mrs M, who doesn't have dementia.

#### **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.

I've thought carefully about the points made by both parties in response to my provisional decision, but I don't consider that there's a good reason to depart from the findings I set out there.

I fully understand that Mr and Mrs M will be disappointed not to recover a greater proportion of the money that they lost. This was a manipulative and very cruel scam, which played on Mr and Mrs M's understandable feelings of family loyalty, and I have considerable sympathy for them.

But I can only fairly find that Santander should have intervened if there were sufficient signs that Mr and Mrs M were at risk of financial harm from fraud by making the payments. I acknowledge that £4,000 is a lot of money. But Santander had no knowledge of what Mr and Mrs M had been told, or their state of mind at the time. And as I said in my provisional decision, I don't think that the size of the first payment, or the fact that it was going to a transfer service are enough for me to say that Santander was wrong not to contact Mr and Mrs M before processing the payment.

I still consider, however, that a second £4,000 payment to a transfer service the same day, ought to have been enough to alert Santander that it was possible that Mr and Mrs M were being taken in by a scammer.

I assume that Santander's reference to "*rules that do not apply to card payments*" is to the Lending Standards Board's Contingent Reimbursement Model ("CRM") Code. I acknowledge that as the payments were made by card, the provisions of that code don't apply here.

But Santander will be aware that at the time Mr and Mrs M made the payments, there are multiple actions that this service considers banks should have been taking to try to protect their customers from the risk of financial harm from fraud. Those expectations are independent of the CRM. They're based on relevant law and regulations, regulators' rules, guidance, standards, codes of practice and good industry practice at the time, and were clearly set out in my provisional decision. And Santander hasn't said anything to make me change my view as to what it would have been reasonable to expect it to do in this case.

One of the features of a scam such as the one that Mr and Mrs M sadly fell victim to is that the scammer puts pressure on the victim to act quickly, and instils a sense of panic, making it difficult to think straight. So I can understand how Mr and Mrs M believed what they were told in the circumstances. But I also explained in my provisional decision that I thought it likely that proportionate intervention from Santander would have broken the spell, as in fact happened when counter staff at the transfer service expressed concern following the second payment. So I think that it's fair to say that Santander could have prevented the loss by intervening, as I consider it should have, before Mr and Mrs M made the second payment.

However, my view remains that given the interval between the two payments, Mr and Mrs M had the opportunity to reflect on what they'd been told, and to take action themselves to check the story they'd been given. I understand their reluctance to do so. But I don't think Santander can fairly be held responsible for that. And as I commented in my provisional decision, they did so in the end, prompted by counter staff at the transfer service. It's because Mr and Mrs M didn't take steps themselves in the interval between the two payments to check what they'd been told that I still consider it's fair only to require Santander to reimburse half the second payment.

### **Putting things right**

To put things right, Santander UK Plc should:

- Refund £2,000, being 50% of payment 2, to Mr and Mrs M; and
- Add simple interest at 8% per year to the refund from 11 December 2023 to the date of repayment.

If Santander considers that it's required to deduct tax from the interest, it should give Mr and Mrs M a tax deduction certificate so that they can reclaim the tax from HMRC if appropriate.

**My final decision**

My final decision is that I uphold this complaint in part. I require Santander UK Plc to put things right by doing as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs M to accept or reject my decision before 18 September 2025.

Juliet Collins  
**Ombudsman**