

The complaint

Mr S complains that Santander UK Plc (“Santander”), have failed to refund money that he lost as part of an investment scam.

What happened

Mr S says that he came across a company that purported to be an investment firm but was actually a scammer, that I will call C. He said this was in June 2020. Mr S was persuaded to make a number of payments from his Santander account to a crypto exchange and the funds were then sent to C. Mr S says he also sent funds to a different scam, though he has not provided much detail about this.

When Mr S was unable to withdraw his profits from either venture, he realised he had been scammed.

The payments that Mr S has highlighted that were part of the scam started in May 2020 and carried on until August 2021. They were all transfers and totalled around £90,000.

Some years later Mr S raised a complaint with Santander, as he believed that it should have stopped him from making the payments in question.

One of our investigators looked into this matter and they decided that the warning provided by Santander during the scam were sufficient, so it did not need to refund the payments in question. They also did not think that the funds could be recovered via other means. They therefore did not uphold this complaint.

Mr S did not agree with these conclusions. So his complaint has been passed to me to issue a 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons.

In broad terms, the starting position is that Santander is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer’s account.

But, taking into account relevant law, regulators’ rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that 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;
- 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 – (as in practice Santander sometimes does including in relation to card payments);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common 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.

Firstly, I should say that given that Mr S says he came across the scam in October in 2020 and the scam chat provided starts at this point, I am unsure what the payments made in June 2020 relate to. But even if they were part of the scam in question, given Mr S's account usage prior to the scam, the transactions were not in isolation large enough, and the pattern of spending was not sufficiently indicative of a scam, to be considered unusual or sufficiently out of character, to have prompted an intervention from Santander.

Mr S seems to use the account to make business purchases. So, whilst I note that the scam payments were fairly large, Mr S's account had been used to make large payments a number of times before. For example, three payments larger than £10,000 and a payment of £8,735 were made from Mr S's account earlier in the year.

I also note that large payments were made to other parties whilst this scam was going on, such as a number of £10k payments and a payment of over £23,000. This had the effect of further normalising large transactions being made from Mr S's account. I have also considered that the payments were relatively spaced out.

So, having considered the payments Mr S made, I'm not persuaded there was anything that ought reasonably to have triggered Santander's fraud monitoring systems, or that would have indicated he was in the process of being scammed. I therefore do not consider there to have been any obligation on Santander to have intervened for the above payments.

I note that Santander did provide some warnings for some payments. As this was more than I think it needed to do, I think that overall, Santander did enough to have warned Mr S about the potential risks that exist when making large payments. So taking everything into consideration, I do not think that Santander could have uncovered or prevented the scam.

I should also add, for the sake of completeness, even if I thought that Santander should have done more and that this would have stopped the scam, I don't think that I have been provided sufficient evidence to demonstrate the loss that Mr S says he suffered. I have no crypto statements showing the funds sent to either scam. The scam chat is very limited and seems to have started 4 months after the first transaction that has been claimed for and there is almost nothing that relates to the second scam. I also can see over £20,000 in credits from one of the crypto exchanges which have not been explained either.

So given all of this I am unable to direct Santander to refund the transactions in question.

I've also thought about whether Santander did enough to attempt to recover the money Mr S lost. In this instance the transfers would not be covered by the Contingent Reimbursement Model ("CRM") as they were to an account in Mr S's own name. Also, I don't think it could have recovered the funds from the accounts they were sent to, because of the time that had elapsed between the transactions and when the scam was reported.

I appreciate this will likely come as a disappointment to Mr S, and I'm sorry to hear he has been the victim of a scam. However, I'm not persuaded that Santander can fairly or reasonably be held liable for his losses in these circumstances.

My final decision

My final decision is that do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 15 October 2025.

Charlie Newton
Ombudsman