

The complaint

Miss H and Miss H complain that Santander UK Plc won't refund the money they lost to a flight ticket scam.

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.

On 27 January 2025, Miss H used Travel Agent L to purchase two flight tickets with Airline I. She paid them £1,691.22 by authorising a payment from her Santander bank account using her debit card and later found the payment was taken by Company TJ.

On 28 January 2025, after obtaining her e-tickets, Miss H went to check in with Airline I but the e-tickets didn't work. When she contacted Travel Agent L they said the flight had been cancelled due to technical issues. However, Miss H says that Airline I said this wasn't the case.

When Miss H then contacted Company TJ (the company she paid), they said the payment was received for a booking relating to someone else and rather than giving her a refund they told her to request a chargeback through Santander. Believing she had been scammed by a fraudulent operator, Miss H contacted Santander to get her money back.

Santander told Miss H that to help her get her money back they had raised a claim (called a 'chargeback') but added that they couldn't provide a guarantee this would be successful due to rules set out by the global payment networks. They subsequently communicated the claim had been declined as invalid and *'the company has given information to show that the service you paid for was correctly given'*.

Miss H was dissatisfied and brought her complaint to our service, but our investigator didn't think Santander had done anything wrong.

Miss H still thinks she has been treated unfairly as the tickets she paid for were given to someone else and asked for an ombudsman to consider her refund claim.

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 not to uphold this complaint, and I'll explain why.

I can fully understand Miss H's upset here and thinking that she has been scammed, as she did purchase expensive flight tickets and despite receiving confirmation the company gave them to someone else and now won't provide her with a refund.

As much as I empathise with Miss H and understand her frustration at missing a holiday and losing a large amount of money, our service can only look at whether Santander should've

prevented her loss. Also, whether they treated her fairly and reasonably when she made a claim for a refund.

Chargeback

Regarding Miss H's chargeback claim, Santander aren't responsible for the chargeback process. As they explained, it is run by global payment networks and although they attempted a claim unfortunately it wasn't successful.

The chargeback scheme has strict rules in place, and, in general terms, a refund can be provided where a customer has bought goods or a service which aren't provided or is not what was advertised.

I understand that Miss H believes she was tricked into purchasing the flights for someone else. However, regarding the scheme, the administrators (not Santander) viewed the claim, which included information from both parties, as invalid. This is because the service or goods bought had been provided (although the flight went ahead with someone else using the tickets) and, importantly, if it was a scam as opposed to poor administration (such as a name mix up, which could be possible), it cannot be addressed with a chargeback.

I appreciate that this may appear unfair and it would be time consuming and expensive to take legal action against the company but Santander's role isn't to adjudicate on claims submitted or get involved in civil disputes.

APP Scam Reimbursement Rules

As there is information which could possibly support a pyramid scheme scam, where a travel agent takes card payments and uses them to pay for another party's flight or holiday, I considered the APP Scam Reimbursement Rules, introduced by the Payment Systems Regulator in October 2024, for customers who have fallen victim to an APP scam. But unfortunately, reimbursement doesn't apply here as the payments were made by card.

I also considered:

The Payment Services Regulations 2017 (PSR) and FCA's Consumer Duty

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. And there's no dispute that Miss H 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 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.

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.

Having considered this, I don't think it would've been reasonable for Santander to have done any more than they did, which was to issue a text message requesting that Miss H confirm the transaction as genuine. This is because:

- The payment amount was relatively low.
- There was only one payment to a legitimate company so it would've been considered low risk and there wouldn't have been a scam pattern.
- Banks like Santander process thousands of payments each day and as mentioned above have to strike a balance between fraud protection and delaying legitimate payments.

And even if Santander issued general scam warnings, I don't think this would've deterred Miss H from purchasing the flights or caused them to place a block as the company she paid is listed, has an internet presence and mixed reviews and I can't see that either party would've known it was a scam.

Summary

So, having considered the above and all the information on file, whilst I'm genuinely very sorry to read about Miss H's loss and distress, for the reasons mentioned above I don't think it would be fair or reasonable to require Santander to provide her with a refund

My final decision

For the reasons mentioned above, my final decision is that I'm not upholding this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H and Miss H to accept or reject my decision before 3 February 2026.

Paul Douglas
Ombudsman