

The complaint

Mrs K and Mr K are complaining that Santander UK Plc didn't do enough to prevent their loss to a scam.

They are represented in their complaint by a family member, but for ease I'll refer to Mrs K and Mr K here.

What happened

On 4 June 2025 Mrs K and Mr K fell victim to a sophisticated travel scam. They thought they had booked travel with what they believed to be a legitimate travel agency, but unfortunately, they were dealing with a scammer. They were tricked into making two debit card payments of £1,680 and £1,120 from their joint account with Santander to a money transfer service.

They quickly realised what had happened and reported the scam to Santander on the same day. Santander considered their scam claim. On 25 June 2025 it wrote to Mrs K and Mr K to say it wouldn't be refunding the disputed payments, because they had been authorised, and the Contingent Reimbursement Model (CRM) code didn't apply to the payments because they were made by debit card.

Mrs K and Mr K raised a complaint, and Santander responded on 10 July 2025. It reiterated the outcome of the scam claim. Mrs K and Mr K referred their complaint to the Financial Ombudsman Service.

Our Investigator looked into the complaint, but she didn't think it should be upheld. In summary, she didn't think Santander ought to have identified a scam risk and intervened, and she didn't think it could reasonably have done anything else to recover the payments once the scam had been reported.

Mrs K and Mr K didn't agree. I've summarised their points below.

- The Investigator's view that Santander had no duty to intervene at the time of the transactions ignores Principle 6 of the Financial Conduct Authority's (FCA's) Principles which requires banks to treat customers fairly.
- The payments had been made as part of a scam, were reported to Santander on the same day they were made and Santander failed to act swiftly to attempt recovery.
- The distinction between transfers and card payments under the scam reimbursement rules shouldn't exclude a lack of effort to recover funds and Santander should have explored other recovery options.
- The CRM code may not apply but the spirit of the guidance does, especially as the payment was made to a money transfer service and not to a merchant offering goods or services.

The complaint has now been passed to me for review and a 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.

In deciding what's fair and reasonable, I've taken into account relevant law and regulations, regulators' rules, guidance and standards, codes of practice and, where appropriate, what I consider to have been good industry practice at the time. Having done so, I'm not upholding Mrs K and Mr K's complaint. I'll explain why.

Were the payments authorised?

The relevant law here is the Payment Services Regulations 2017 – these set out what is needed for a payment to be authorised and who has liability for disputed payments in different situations. With some exceptions, the starting point is that the consumer is responsible for authorised payments, and the business is responsible for unauthorised payments.

Mrs K and Mr K accept that the disputed payments were made using Mrs K's debit card, but they have referred to the payments as unauthorised because they were tricked into making them. But as the Investigator has explained, this isn't a relevant consideration in whether they were authorised under the rules. There's no dispute here that they completed the agreed steps to make the disputed payments, and so they are authorised, even though they were tricked into making them to somewhere they didn't intend them to go to. So, the starting point is that Santander isn't liable for them.

Should Santander have recognised a scam risk and intervened?

When a payment is authorised, Santander has a duty to act on the payment instruction. But, in some circumstances it should take a closer look at the circumstances of the payment. For example, if it ought to be alert to a fraud risk, because the transaction is unusual, or looks out of character or suspicious. And if so, it should intervene, for example, by contacting the customer directly, before releasing the payment. I'd expect any intervention to be proportionate to the circumstances of the payment.

But I've also kept in mind that Santander processes high volumes of transactions each day. There is a balance for it to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

I agree with the Investigator that I wouldn't have expected Santander to have intervened here – and I don't think Santander has treated Mrs K and Mr K unfairly by not doing so, because the payments didn't appear suspicious or indicative of a scam taking place.

The value of the payments was not especially significant in the context of the payments Santander processes every day and Mrs K and Mr K had made a number of payments of a similar value before, including to another money transfer service. I don't think these payments would have appeared unusual or out of character, such that Santander ought to have been sufficiently concerned about a scam risk that it ought to have intervened with a warning, or by contacting Mrs K and Mr K directly. So, I don't think Santander ought reasonably to have done anything else here to prevent Mrs K and Mr K from making the payments.

Could Santander have done more to recover the payments?

The payments were made by debit card, and as such once they had been authorised it

wasn't possible for Santander to freeze, recall or cancel them, even if the payments were reported soon after they were made and when they remained in a pending state.

It's possible to dispute a debit card payment through chargeback, which can sometimes be attempted if something has gone wrong with a debit card purchase – but this is subject to the relevant card scheme's chargeback rules. Santander didn't raise chargebacks here, but I don't think this was unreasonable because I don't think there were grounds for it to do so under the card scheme's rules. I say this because the payments were authorised and were made to a legitimate money transfer service which provided the service in transferring the funds. So, there was little prospect of chargebacks being successful under any of the potential chargeback reasons. And there is no alternative mechanism to recover debit card payments which I could reasonably say Santander ought to have made use of here.

The CRM code was replaced by the Authorised Push Payment scam reimbursement rules in October 2024, before these payments took place - but similarly, they don't apply to card payments. I've taken into account the points Mrs K and Mr K have raised, including those about the scam reimbursement rules and the FCA's Principle 6, but I still don't consider that Santander has treated Mrs K and Mr K unfairly here by not intervening in the payments or doing anything more to attempt to recover them.

I'm sorry to disappoint Mrs K and Mr K. They've been the victim of a cruel scam, and I can understand why they would think they should get their money back. But I've not found that there are any grounds for me to direct Santander to refund the disputed payments.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K and Mr K to accept or reject my decision before 25 February 2026.

Helen Sutcliffe
Ombudsman