

The complaint

Ms K complains that Santander UK Plc won't refund the money she lost as the result of a scam. She also complains about some transactions and a payment mandate on her account.

What happened

In June 2024 Ms K was contacted by someone who claimed to be from Santander's fraud department. Unfortunately, the caller ultimately turned out to be a scammer, and I'll refer to them as "the scammer" in this decision, even though I acknowledge that Ms K didn't realise she was dealing with a scammer at the time.

The scammer told Ms K that her debit card had been used abroad that morning. He also said she was in danger of being scammed by staff at her local Santander branch. He told Ms K to send him £3,000 in cash for safe keeping. She says he told her that if she was asked what the withdrawal was for, she should say it was for home decorating. The scammer told Ms K that she should go to her local branch of Santander straight away. Ms K says he then called her on her mobile phone and told her to stay on the line until she reached the branch. He said she should keep her mobile phone in her pocket, and not put it on the counter, as there might be surveillance in the branch.

Ms K went quickly to her local Santander branch. She says the scammer didn't tell her to take any ID, and she wasn't asked for it, but was simply asked what the money was for. She's commented that the cashier seemed embarrassed about asking about the purpose of the withdrawal, and on being told it was for home decorating, she simply handed the cash to Ms K in three plastic bags. Ms K says that when she got home, the scammer told her to post the money by special delivery, and said that if the Post Office asked about the contents, she should say it was a gift.

Ms K realised she'd been the victim of a scam the following day, when the scammer contacted her about withdrawing cash from another bank. She reported the scam to Santander and to Action Fraud. But Santander said it wasn't able to offer her a refund because it had followed its own processes and the scam wasn't protected by the Contingent Reimbursement Model Code, as the transaction wasn't a bank transfer.

Ms K is also dissatisfied that a cheque for £50 that she issued when she was still with her previous bank, and which the payee says they paid in promptly, wasn't debited to her Santander account until five months later. What's more, both the cheque and a small payment to a retailer were shown twice on her statement. She's also unhappy that a credit card account at her former bank was set up as a payee on her account. She says there's no such account in her name.

Santander says the payee was set up on Ms K's account as part of the full account switch from her previous provider, which was completed in April 2024.

One of our investigators considered the complaint, but didn't think it should be upheld. In summary, he said that he thought Santander had carried out proportionate checks when Ms K withdrew the money. And he was satisfied that the payment mandate for the credit card had been set up on Ms K's Santander account as part of the switch.

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

My provisional decision

After considering all the evidence, I issued a provisional decision to Ms K and to Santander on 8 August 2025. I explained that, having considered the relevant information about the complaint, I'd reached a different conclusion from the investigator, and was considering upholding the complaint in part. And I said I wanted the parties to have an opportunity to provide any further comments or evidence before I issued my final decision. I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I was sorry to hear that Ms K fell victim to a cruel scam. I have sympathy for her, and I don't underestimate the impact this will have had on her. My role is to decide whether it's fair and reasonable to hold Santander responsible for her loss.

The background summary I've included above captures the key points of Ms K's complaint. Her full account contains significantly more detail about her experience. I've read and taken into account everything that Ms K has said. But I hope that she won't regard it as a discourtesy that I haven't commented specifically on every point that she's made. Instead, I've set out what I consider to be the key issues in reaching a fair outcome to the complaint. Our rules allow me to do this, and it's in keeping with our role as an informal dispute resolution service.

In broad terms, the starting position is that a bank is expected to process cash withdrawals that a customer authorises, in accordance with the terms and conditions of the customer's account. Ms K authorised the withdrawal. So even though she was the victim of a scam, and was tricked into withdrawing the money, the withdrawal is considered 'authorised' under the Payment Services Regulations 2017 and the terms and conditions of her account, and Ms K is presumed liable for her 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;*
- *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; and*
- *where the customer undertakes the transaction at a branch, following the Banking Protocol where appropriate.*

With those things in mind, I need to decide whether Santander acted fairly and reasonably in its dealings with Ms K when she withdrew the cash, or whether it should have done more to protect her from the possibility of harm from fraud.

The Banking Protocol is an initiative between the police, the financial sector and Trading Standards to identify fraud and prevent it from happening. Under the Protocol, financial businesses commit to identifying unusual withdrawals and discreetly questioning customers about them. It recognises that detailed questions are often required by bank staff to allow both the bank and the customer to understand when a customer may be the victim of fraud.

Ms K's account had been open for under five months when she made the withdrawal. I've looked at her statements and can see that although she'd withdrawn amounts of up to £300 from an ATM plenty of times, she'd never withdrawn cash over the counter. So I'm satisfied that the withdrawal marked a significant departure from her usual behaviour.

While the Protocol isn't limited to elderly or vulnerable customers, crime data analysis has identified that scammers disproportionately target consumers over the age of 70, unfortunately making those in that age group significantly more at risk of falling victim to a scam. What's more, I'd have expected Santander to be aware that there'd been many instances of scams involving older customers being instructed to withdraw cash.

I'm not making a finding here on whether Ms K was, in fact, vulnerable at the time of the scam. But I think Santander's branch staff could reasonably have been expected to recognise that Ms K's age would have meant that she was at greater risk of being targeted by scammers. I've also noted that the transaction record shows that the money was given to Ms K in 150 £20 notes, and I think Santander could reasonably have been expected to have some concerns about Ms K's safety, leaving the branch alone carrying £3,000 in cash.

Taking together the fact that an over-the-counter cash withdrawal was significantly unusual for Ms K, a set of circumstances that were consistent with a well-known type of scam and a customer whose age profile potentially made her more vulnerable to being scammed, I think Santander ought reasonably to have been concerned that Ms K was at risk of financial harm from fraud. So I've considered whether it went far enough, or fully recognised the risk involved in the transaction, when it asked Ms K about the withdrawal. And I've considered whether Santander missed an opportunity to prevent the fraud.

Santander's computer records show boxes ticked to confirm that Ms K authorised the transaction using chip and PIN, and provided her passport by way of identification. Ms K says that she didn't provide any ID and wasn't asked anything about the money, other than what it was for.

Santander's provided a copy of its guidance to branch staff. But even if that was followed, the questions it instructs staff to ask were fairly general, and concerned whether the customer has been told to move money to keep it safe, or as part of an investigation, whether they've been put under pressure or given a cover story to mislead the bank, and whether they've received the goods or services they're paying for.

The Banking Protocol recognises that customers will often be under the spell of the fraudster and may not give the true reason for a transaction. And it says that bank staff should be vigilant in probing customers, and shouldn't necessarily take what they say at face value. More specifically it says bank staff should bear in mind that as part of a fraud, the customer may be convinced that they're helping to catch 'corrupt bank staff' and given a story to tell branch staff.

The Protocol suggests additional steps, such as taking a customer to a quiet area and asking further questions. It even recognises that it might be necessary for a bank to escalate the matter to the police before a customer realises that they're the victim of fraud.

Santander doesn't appear to have taken Ms K aside for any further questioning. I assume that's because it was satisfied with the answers she gave. But I need to consider whether that was reasonable in all the circumstances.

It's not clear why Ms K would have been withdrawing such a large sum in cash, and there's nothing in Santander's records to indicate that she was asked whether another payment method, such as a bank transfer, might be more sensible. And even if the questions in the branch guidance were asked, there's nothing to suggest that there was any attempt to go further and outline specific circumstances in which someone might be asked to withdraw money. And whatever questions were asked or warnings given, they don't appear to have had an impact on Ms K in any event, as she went on to withdraw the money.

I recognise that, in the context of this particular scam, Ms K would almost certainly have declined an alternative payment method. But based on what Ms K's told us, the cover story the scammer gave her wasn't very detailed, and I think it likely that it would have begun to unravel quite quickly on further questioning.

As it was, Ms K's told us that the scammer contacted her again the following day and asked her to make a large cash withdrawal from another bank. She says that she became suspicious, and raised her concerns with the other bank who confirmed that it was a scam. So the 'spell' she was under wasn't unbreakable, and I think it likely that if Santander had asked Ms K sufficiently probing questions and explained to her the way scams such as this typically work, it would have resonated with Ms K and she'd have recognised that the call was most likely from a scammer and stopped what she was doing.

Taking everything into account, I'm satisfied that if Santander had taken the steps I consider it ought fairly and reasonably to have taken, the scam would more likely than not have been prevented and Ms K wouldn't have lost her money.

I've thought about whether it would be fair for Ms K to bear some of the responsibility for her loss. But I don't think it would be reasonable to say that she was contributorily negligent here. It's easy to be wise with the benefit of hindsight, but it's clear that Ms K believed what the scammer had told her. The scammer had manipulated her into believing that the measures he asked her to take were necessary to safeguard her money, and that she was aiding a fraud investigation. And he led her to believe that she needed to act urgently.

I acknowledge that Ms K misled the branch staff when she said that the money was for home decoration. But scams of the type that Ms K fell victim to are exactly what the Banking Protocol is designed to combat. Ultimately, Santander, not Ms K, was the expert here. And if it had asked probing enough questions to understand the full circumstances, I think it more likely than not that it would have identified that Ms K was the victim of a scam. So I think it's fair, in this case, to require Santander to refund the money that Ms K withdrew in full.

The cheque and the payment mandate

I'm satisfied that the cheque and the small payment to a retailer that Ms K's mentioned were only debited to her Santander account once, even though they appear to be shown twice on the copy statement she's provided. So I'm satisfied that Ms K hasn't lost any money as a result of any duplicate entry on her statement.

I'm unable to explain why the cheque drawn on Ms K's account with her previous provider apparently took so long to be debited to Ms K's account after she wrote it. By the time she completed the full account switch to Santander, it was already more than three months since the payee of the cheque says that they paid it in. So in normal circumstances, I'd have expected it to have been debited to Ms K's account with her previous provider some considerable time before the switch. I don't know why that seemingly didn't happen, but I can't fairly conclude that the delay was Santander's fault. And Ms K hasn't suggested that she lost out financially as a result of the delay in any event.

I know that Ms K feels strongly that the setting up of a credit card with her previous bank as a payee on her Santander account involved some form of wrongdoing on Santander's part. But I'm satisfied from the records that Santander has provided that the payment mandate was transferred at the same time as various other payee details from Ms K's previous bank as part of the full account switch carried out in April 2024. In the circumstances, I can't reasonably find that the presence of the credit card as a payee on Ms K's account resulted from any wrongdoing on Santander's part. Santander has confirmed that no money has been paid out of Ms K's account under the mandate in any event. I hope that the fact that I have looked at these issues as part of my impartial investigation into Ms K's complaint will help to reassure her.

Taking everything into account, I think it's fair to require Santander to refund the money Ms K lost as a result of the scam, and to pay interest on the refund to reflect the fact that Ms K hasn't had the use of the money."

And I explained that my provisional decision was that I intended to uphold this complaint in part, and to require Santander to put things right by doing as I've set out under the heading "Putting things right" below.

Further submissions

Ms K has told us that she has no further comments or evidence to provide, other than a few further details of what the scammer told her the day after she sent the money. That doesn't alter my view of the complaint.

Santander says that it takes on board the points raised, and is happy to accept some liability for the payments in dispute. But it considers that Ms K should share responsibility for her loss. It says, in summary, that:

- Ms K received a cold call from an unknown number and accepted the advice of an unknown third party without trying to verify that she was speaking with a genuine employee of the bank.
- She didn't question why, if she was in danger of being scammed by the staff at her local branch, she was being sent into the branch to withdraw cash to keep it safe.
- She didn't query the payment method – withdrawing cash and sending it by post - or why it was considered more secure than a bank transfer.
- It's not clear why Ms K couldn't move funds to an account she held with another bank if she needed to move her money to keep it "safe".
- Ms K lied to Santander when making the payment, and this contributed to it not uncovering the scam. The branch scam chat guidance highlights the importance of being honest with the bank, as criminals ask customers to mislead the bank to avoid detection. Ms K ignored the advice provided by the genuine member of staff.

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 that Santander has raised in response to my provisional decision. But while I acknowledge that the question of whether Ms K should bear some of the responsibility for her loss is finely balanced, I'm not persuaded that there's a good reason to depart from the findings I set out in my provisional decision.

As I said in my provisional decision, we expect banks to be on the look-out for unusual transactions or other signs that a customer might be at risk of harm from fraud. And it's reasonable to assume that Santander, as an established financial institution, would have been more familiar than Ms K with the sorts of scam that were prevalent at the time.

I acknowledge that there's a tick in the box on Santander's system to record that a "scam chat" took place – although Ms K says there was no such conversation. I also acknowledge that Ms K wasn't truthful about the reason she was withdrawing the cash.

But as I said in my provisional decision, even if the guidance for scam chats was followed, the Banking Protocol recognises that customers may have been given a cover story by the scammer, and provides that bank staff shouldn't always take what they say at face value, but should be ready to take a customer aside to a quiet area and probe further.

I realise that these situations aren't easy, and it can be a difficult balance for banks to strike. But overall, my view remains that there was enough that was concerning about Ms K, as an older customer, uncharacteristically withdrawing a significant sum in cash, face-to-face over the counter, that branch staff should have been concerned about the situation, and should have questioned her further. And for the reasons I set out in my provisional decision, I think it's likely that if they'd done so, the scam would have been exposed and Ms K wouldn't have lost the money.

I acknowledge that with a clear head, and in the cold light of day, there were features of what Ms K was asked to do which didn't fully add up. But calls like the one Ms K had from the scammer are designed to instil a sense of panic in the recipient, and to make it difficult for them to think rationally. Ms K's told us that she was led to believe that she needed to act urgently, and that the scammer stayed on the phone until she reached the bank.

In the circumstances of this case, and bearing in mind how firmly under the influence of the scammer Ms K appears to have been, I'm not persuaded that it would be fair to say that she acted with such carelessness or disregard in going ahead with what the scammer told her to do that it would be fair to apply a deduction for contributory negligence here.

Putting things right

To put things right Santander should:

- Refund £3,000 to Ms K; and
- Add simple interest at 8% per year from 5 June 2024 to the date the money's refunded.

If Santander deducts tax from this interest, it should provide Ms K with a tax deduction certificate so that she can claim the tax back 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 Ms K to accept or reject my decision before 23 September 2025.

Juliet Collins
Ombudsman