

The complaint

Ms W complains that Santander UK Plc ought to have done more to prevent her from being defrauded.

What happened

As the circumstances of this complaint are well-known to both parties, I have summarised them briefly below.

In late 2022, Ms W received a telephone call from someone purporting to be from Santander's Fraud Team. The caller asked Ms W if she'd increased her overdraft limit, which Ms W denied.

The caller told Ms W that someone had gained access to her account and it was suspected to be an employee of the bank. Ms W was asked for her assistance to catch the culprit by following a number of instructions. This included:

- Opening new bank accounts with third-party providers
- Transferring the balance of her Santander account to those new accounts
- Withdrawing her private pension to her Santander account and moving that on

Eventually, when Ms W was instructed to attend branch due to suspicious activity on her account, she asked staff when she might receive her money back. It was at this stage Ms W was told she'd been a victim of fraud, and a claim was raised with the bank.

Santander reimbursed Ms W £2,500 of the loss she'd suffered, but concluded it wasn't liable for the remaining loss. In summary, it said that due to the funds being transferred to an account in her own name, the payments didn't fall within the scope of the Contingent Reimbursement Model Code (the CRM Code). It therefore deemed the decision to not reimburse her was correct at the time.

Ms W remained unhappy with Santander's response, so she referred the matter to our service for an independent review. An Investigator considered the evidence provided by both parties, but concluded Santander ought to have done more to protect Ms W from the fraud. They therefore recommended that Santander reimburse Ms W some of the payments made.

Santander didn't agree with the Investigator's assessment, so the matter was passed to me to decide.

Before assessing the complaint, Santander asked for more time to carry out another review of the complaint. As part of that review, it requested that our service obtain information from Ms W's Independent Financial Advisor (IFA). That information related to withdrawal from her pension funds.

Our service received information from that IFA, setting out the due diligence carried out as part of the withdrawal process. And that information was passed over to Santander to consider as part of its further review.

Having done so, Santander maintained its position that it didn't agree the complaint ought to be upheld. As Santander continued to disagree with the Investigator's assessment, the matter was again passed to me to decide.

On 13 August 2025, I issued my provisional findings to both parties and gave them until 27 August 2025 to respond with any further comment or evidence. My provisional findings were as follows:

"In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take 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.

There is no dispute here that Ms W authorised the transactions in question. And the starting position in law is that Ms W will be held liable for transactions she authorised in the first instance.

However, taking into account the above, Santander ought reasonably to have been on the lookout for any transactions that would indicate Ms W was at risk of financial harm. And where it identifies a risk, it ought reasonably to intervene and provide warnings.

Should Santander have had concerns regarding the payments being made?

Having considered the evidence carefully, I agree with the Investigator's assessment that Santander ought to have intervened at a point during the numerous payments Ms W was making.

Ms W's account was an established one. I can see she regularly used her account to pay bills and make purchases. I can also see that within the 6 months prior to making the payments subject to this dispute, she did on a few occasions make card payments and transfers that placed her into her overdraft balance. Therefore, I'm not persuaded that the characteristics of the first 8 payments fell outside the normal operation of Ms W's account.

However, the ninth payment made does appear out of the ordinary. This was the third payment Ms W had made to the same external account on the same day. And this meant she'd transferred a total of £5,000 in quick succession to that account. This does follow known fraud patterns and wasn't how Ms W typically used her account. Overall, I'm persuaded that Santander ought to have contacted Ms W and establish the purpose of the payment she was attempting to make before allowing it to go through.

Would that intervention have stopped Ms W continuing to make payments to the fraudster?

I'd firstly like to thank Ms W for being open and honest about her experience, as I know it has been traumatic for her to re-live it by telling our service what has happened. I also know it has had a profound impact on her both emotionally and financially.

This fraud was clearly well orchestrated. The fraudster managed to build rapport and trust with Ms W by first playing on a worry she already had regarding her account. And the fraudster was clearly very convincing in the numerous methods they used.

However, the fraudster was so convincing to Ms W here that I don't find it likely an intervention from Santander would have impacted Ms W.

Ms W has explained that she was entirely convinced she was speaking with a member of Santander's fraud team. And she held an honest belief that she was assisting with an

investigation that would identify the culprit: indicated to be someone within the bank. This meant that Ms W followed the instructions of the fraudster without hesitation and understandably was cautious of anyone other than the fraudster. This is evident because Ms W:

- allowed remote access to her devices by the fraudster.
- set up third-party accounts under the instruction of the fraudster and unsuspectingly allowed them full access to those accounts.
- selected the incorrect payment purpose when authorising the payments.
- was willing to follow the fraudster's instructions to mislead the bank should they contact her about the payments being made. This included mock interviews with the fraudster to ensure she was convincing when questioned.
- ignored written warnings displayed to her by Santander when processing the payments, stating that Santander would never ask her to move money.

Further, Ms W was questioned by her IFA when making several withdrawals from her pension. And despite not being given a cover story by the fraudster as to why she was removing those funds, Ms W managed to convincingly provide differing reasons as to why she needed access to them on each occasion.

For all the above reasons, I find it unlikely that an intervention by Santander would have stopped Ms W from continuing to engage with the fraudster and move funds on. Had it asked her for the purpose of her payment, it's likely she would have misled the bank in response. And considering Ms W had convincingly done this when asked questions by her IFA, it's likely she would have been convincing to the bank.

I also find it unlikely that had Santander told Ms W over a call that it would never ask her to move her money—as it did in its written warnings—she likely wouldn't have been impacted by this. She'd already been told what to expect on interventions from her bank by the fraudster and was so convinced he was a member of its fraud team that any warnings likely would have been rendered ineffective.

I know my assessment will come as a disappointment to Ms W, and I know how strongly she feels that Santander ought to have done more to protect her. I agree with her that Santander ought to have done more. But since she was so convinced she was speaking with a member of Santander about the protection of her assets, I find it more likely than not that any attempt by Santander to intervene would have not persuaded her to reveal the true purpose of her payments. And any warnings likely would have been met with scepticism and distrust.

Due to the above reasons, it would therefore be unreasonable to ask Santander to reimburse Ms W her loss where it likely wouldn't have been able to prevent the fraud."

Santander provided no additional comment. Ms W however expressed her anger with Santander and said that her overdraft limit being changed began the chain of events that led to her being defrauded. She says she didn't change her overdraft limit, and no one has explained to her how this occurred.

As both parties have now had the chance to respond, I am able to issue my 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.

Ms W has responded to my provisional decision highlighting the fact that her overdraft limit

was increased without her permission. And this caused her to believe the third-party who'd called her impersonating the bank.

However, the technical information I have seen from Santander doesn't support this. Reports that record the activity on Ms W's account show that Ms W's overdraft was increased after the first two payments she had made from her account on the instruction of the fraudster. And the instruction to increase the overdraft limit was verified and authorised by way of a one-time passcode, that was sent by text message to Ms W's telephone.

So, it's more likely than not that the fraudster managed to deceive Ms W into authorising the overdraft increase after the available funds had been depleted from her account.

As no other evidence or comment has been provided in response to my provisional findings, I don't intend to depart from them.

Once again, I'd like to extend my deepest sympathy for what has happened to Ms W. But as Santander likely would not have been unable to prevent the fraud from occurring, it cannot fairly be held liable for her loss.

My final decision

For the reasons I have given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 26 September 2025.

Stephen Westlake
Ombudsman