

The complaint

Mr I is unhappy Santander UK Plc ('Santander') won't reimburse him the money he lost when he fell victim to a scam.

What happened

The details of this case have been clearly set out by our Investigator. As such, the facts are well-known to both parties, so I don't need to repeat them at length here.

Mr I fell victim to a flight ticket scam. Mr I believed he was using a genuine agent to purchase tickets for him and his family for a trip abroad, but unfortunately it was scammers impersonating a real company.

As a result of the scam, on 6 February 2025, Mr I authorised four card payments totalling £3,177.23 to three genuine merchants who provide flights and or accommodation.

Mr I noticed issues and errors on the flight tickets and realised he had been the victim of a scam.

Mr I reported the matter to Santander. Ultimately, Santander didn't consider it was liable to reimburse Mr I. It also looked into whether a 'chargeback' would have had a reasonable prospect of success but as Mr I had authorised the card payments himself, and as the dates for the services (here the flights) hadn't passed, it didn't consider a chargeback would have been successful.

Unhappy with Santander's response, Mr I referred the matter to our service. Our Investigator looked into the complaint and didn't recommend the complaint be upheld.

In relation to the disputed card payments, they considered Mr I, despite being a victim of a scam, had 'authorised' the payments as Mr I had used his Santander card details for the execution of the payments. They also didn't think Santander ought to have done more to identify the payment as potentially fraudulent in the circumstances – and Santander in sending a text to confirm that it was Mr I who had carried out the payments was proportionate in the circumstances. And they also considered there wasn't anything Santander could have done to recover any funds such as through a 'chargeback' as there was no reasonable prospect of success.

Mr I has asked for the matter to be referred to an Ombudsman, so it's been passed to me to decide.

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'm not upholding Mr I's complaint. I know this will come as a disappointment to him as he was the victim of a cruel scam, but I'll explain my reasons why.

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.

First, I would like to explain for Mr I's benefit why the Faster Payment Scheme – Reimbursement Rules ('Reimbursement Rules') isn't applicable to the card payments he made. The Reimbursement Rules put a requirement on firms to reimburse Authorised Push Payment ('APP') scam payments made via the Faster Payments Scheme or via CHAPS. As card payments which are *pull* payments and aren't one of the transaction types covered by the Reimbursement Rules, it means it isn't an applicable consideration in this case.

The relevant rules and regulations

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account. This is set out within the 'Payment Service Regulations 2017' ('PSRs') and these are the relevant regulations in place here.

Under 'Section 67' of the PSRs it states:

"67.—

(1) A payment transaction is to be regarded as having been authorised by the payer for the purposes of this Part only if the payer has given its consent to—

- (a) the execution of the payment transaction; or*
- (b) the execution of a series of payment transactions of which that payment transaction forms part.*

(2) Such consent—

- (a) may be given before or, if agreed between the payer and its payment service provider, after the execution of the payment transaction;*
- (b) must be given in the form, and in accordance with the procedure, agreed between the payer and its payment service provider; and*
- (c) may be given via the payee or a payment initiation service provider."*

The question I have to ask myself here is whether the payment transaction made is considered as authorised as set out by the PSRs. So, whether Mr I consented to the execution of the payment transaction. Consent, in this context, is explained as being given in the form and in accordance with procedure agreed between the payer (Mr I) and the payment service provider (Santander). Consent is typically given by a customer providing the relevant card details over the phone or entering them online, or by other means such as contactless or entering a PIN on a terminal or ATM. A customer, using the card or its details in this way is, for the purposes of the PSRs, a customer authorising a payment transaction. They have consented to the execution of the payment transaction by providing their card or the details of their card.

It is important to point out that consenting to the execution of a payment transaction is an objective test and it doesn't depend on what Mr I knew at the time he completed the procedure for giving consent.

Mr I provided/used the relevant card details for the transactions to be paid. Mr I was aware of the payments and amounts (albeit under deception) and unfortunately, by providing or using his card details in this way, Mr I has, in line with the PSRs, given his consent (in accordance with the procedure, agreed between him and Santander) to the execution of the payment transactions.

This means that under the PSRs Mr I has authorised the card transactions in dispute and is therefore responsible for them. That remains the case even though Mr I was the unfortunate victim of a cruel scam.

Could Santander have done more to prevent Mr I's loss?

There are times when I might expect a bank to question a transaction or payment, even though it may have been properly authorised. Broadly speaking, firms like Santander should be on the lookout for unusual or out of character transactions to protect customers from the possibility of financial harm from fraud.

In this case, I need to decide whether Santander acted fairly and reasonably in its dealings with Mr I when he made the card payments or whether it should have done more than it did.

I've thought about this carefully. From what I've seen, there isn't anything unusual or remarkable about the card payments or the amounts that ought to have alerted Santander to the possibility Mr I was being scammed. Banks process a high volume of transfers and transactions each day. And a bank has to strike a balance as to when it should possibly intervene on a payment against not holding up or delaying its customer's requests. Here there was nothing remarkable about the payments or the amounts, and I'm also mindful they were going to legitimate merchants, so I don't think Santander acted unreasonably in not flagging the payment for any further additional checks. Customers can lose or have their cards stolen, so Santander reaching out to Mr I to confirm that it was in fact him who was making the transactions was proportionate in the circumstances. And I don't think it needed to go further and carry out any additional checks such as speaking with Mr I about the payments.

Was there anything else Santander could have done to try and recover Mr I's funds?

I appreciate Mr I contacted Santander as soon as he discovered he had fallen victim to a scam. Sadly, despite the relevant protections afforded to some card payments (such as 'chargeback' or 'Section 75 of the Consumer Credit Act' claims) the nature of what happened here meant there was no likely chance for Mr I's card payments to be reimbursed. Of relevance here is the chargeback scheme. However, whether a firm (Santander) chooses to pursue a chargeback is its own voluntary choice. A firm won't attempt a chargeback that has no reasonable prospect of success. My role is to determine whether a firm acted unfairly in not attempting a chargeback.

Here, Mr I had paid genuine merchants. Sadly, in this type of scam a fraudster will use a customer's card details to pay for goods or services that will likely be to the benefit of someone else and not the customer. So, for example and which is common in this type of scam – paying for a different flight or accommodation than that the customer believes they are paying towards, and it will be in someone else's name. Importantly with a chargeback, any claim/dispute Santander submitted would be made against the merchant, and here the

merchant would defend its position that the goods/services that had been paid for, had been provided. Given the nature of the scam and what happened here, there was no reasonable prospect of a chargeback being successful.

So, while Santander did initially look at whether to raise a chargeback and having reviewed the information considered that as the date of the goods/services had not passed it couldn't raise a chargeback at that time, it was also never likely able to raise one in any event for the reasons I have mentioned above. The goods/services would have likely been for a different flight or accommodation whereby the merchants in question provided the goods or services.

I note that Santander issued a letter to Mr I from its Card Disputes Team on 16 March 2025, advising as the due date for the goods or services hadn't passed, there wasn't a valid claim (for a chargeback) and for Mr I to contact the merchants in question to see if anything can be cancelled. Mr I says he didn't receive the letter. I don't doubt that Santander sent it, and I don't disbelieve Mr I when he says he didn't receive it, and had he, then he would have taken the action Santander advised. But to my mind, it doesn't change anything here. Ultimately a chargeback never had any likely prospect of success in any event. I'm also mindful that Santander in suggesting Mr I contact the merchants to see if anything could be cancelled was it providing helpful advice, and arguably Mr I also could have taken those steps himself without Santander providing that advice to him. And even if Mr I had contacted the relevant merchants, it is unlikely that would have been successful avenue. Either Mr I would have encountered difficulties with the merchants in locating what his payments went towards, and if the merchants located the transactions they may not have disclosed any further details as it would have been related to goods or services in another person's name – despite Mr I's card details being used to pay for the goods and services. There was also a very strong likelihood that the goods and services paid for had already been instigated or utilised.

Summary

I'm very sorry to hear of what's happened to Mr I. He thought he was paying for flights for him and his family to see another family member who was unwell and hospitalised. He has my sympathies, as I can see it has clearly had a massive impact on him and his family. But, overall, while I appreciate Mr I's been the unfortunate victim of a cruel scam, I think Santander's decision not to reimburse or refund him for the card payments was fair and reasonable in the circumstances.

I say this because I'm satisfied that Mr I, by providing/using his card details, consented to the execution of the payment transactions. Santander followed Mr I's instructions to make the payments, and I haven't seen any reason why it shouldn't have done this. And, due to the nature of what happened – with the card payments going to genuine merchants who likely carried out the goods or services required, there was no other mechanism in which Santander could reasonably have attempted to recover Mr I's funds.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 30 December 2025.

Matthew Horner
Ombudsman