

The complaint

Ms B and Mr G complain that Santander UK Plc ('Santander') won't refund the money they say was lost as the result of a scam.

What happened

Since 2009, Ms B and Mr G had been signed up to a newsletter with an introducer I'll refer to as I.

In one of the newsletters, there was information about an investment with a company I'll refer to as H. H were offering an investment with a return of 5% per month. There was a separate introducer involved with this investment who I'll refer to as K.

These are the payments Ms B and Mr G made from their Santander account as part of their investment with K, as well as the returns they received. These payments were made through I's accountancy firm that I'll refer to as M.

Date	Details of transaction	Amount
5.12.2018	Payment to M	£20,000
6.12.2018	Payment to M	£6,000
13.12.2018	Payment to M	£4,000
14.1.2019	Returns received from the investment	£1,500 cr
13.2.2019	Returns received from the investment	£1,500 cr
25.2.2019	Returns received from the investment	£1,500 cr
11.3.2019	Returns received from the investment	£1,500 cr
27.3.2019	Returns received from the investment	£1,500 cr
10.5.2019	Returns received from the investment	£1,500 cr

Ultimately, H stopped trading and Ms B and Mr G didn't receive any further returns or their capital back. So, they raised a fraud claim with Santander in 2024, using a professional representative. Santander said they didn't have enough information to proceed with the claim and requested further information. As Ms B and Mr G didn't get an answer from Santander, they brought a complaint to our service.

An investigator looked into Ms B and Mr G's complaint but didn't uphold it. The investigator wasn't satisfied that if Santander had intervened when these payments were made, that Ms B and Mr G's loss would've been prevented.

Ms B and Mr G didn't agree with the investigator's opinion saying Santander could've prevented their loss if they had intervened.

As the case couldn't be resolved informally, it has been passed to me to review.

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 am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in light of the available evidence.

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 Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account. It's not in dispute that Ms B and Mr G authorised these payments, although they did so not realising they would suffer a financial loss.

For completeness, I'm satisfied that H were operating a scam. This is based on a court hearing that took place in July 2020, whereby the liquidators and judge were satisfied that this was a Ponzi scheme.

However, while H were operating a scam, that doesn't necessarily mean that Ms B and Mr G are entitled to a refund from Santander. I have to decide whether intervention by Santander would, more likely than not, have uncovered it was a scam and prevented the loss.

Having carefully considered the evidence, I'm not satisfied that intervention by Santander would've prevented Ms B and Mr G's loss. I'll explain why.

Taking into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Santander should fairly and reasonably have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams.

Also, I'd expect Santander to have 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). And where a potential risk of financial harm is identified, to have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – as in practice all banks do.

Even if Santander had intervened when these payments were made, I'm not satisfied they would've identified a potential risk of financial harm from fraud. I say this as all the information Ms B and Mr G had available about H, at the time of the payments, suggested that it was a genuine investment.

The investment was initially introduced to them by I, who had been sending them newsletters for nearly 10 years and who they had successfully invested through previously. It's clear from Ms B and Mr G's testimony that they trusted I.

There was a separate introducer, K, involved with the investment in H. But I can't see that there was any adverse information available about K, at the time of the payments. Ms B and Mr G checked the website of the company K worked for and didn't have any concerns. And, while H was operating a Ponzi, early investors were receiving returns on their investments – as did Ms B and Mr G. It wasn't until significantly after Ms B and Mr G made their payments that concerns about H first surfaced.

So, if Santander had intervened and asked Ms B and Mr G questions about the payments they were making to M, I'm not satisfied that any of the information Ms B and Mr G would've shared with them would've suggested that they might be at risk of financial harm from fraud.

I'm really sorry to disappoint Ms B and Mr G who have lost a substantial amount of money, which has caused them financial difficulties. But having considered all of the evidence, I'm not satisfied that I can fairly hold Santander liable or ask Santander to refund them.

My final decision

My final decision is that I don't uphold this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B and Mr G to accept or reject my decision before 8 December 2025.

Lisa Lowe
Ombudsman