

The complaint

Mr M complains that Santander UK Plc, is refusing to refund the money he lost as the result of a scam.

Mr M is represented by a third party. To keep things simple, I will refer to Mr M throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, in late 2023 Mr M found an advertisement on a social media platform for an investment business. Mr M completed an inquiry form with his contact details. Mr M was then contacted by a person at the business, Mr M says they seemed highly professional and knowledgeable. They explained that they would help Mr M to invest in a range of commodities and foreign exchange. Initially Mr M invested £201 on 2 December 2023, he says he saw impressive returns, and this encouraged him to make further investments.

Mr M made a second payment of £2,500 on 29 December 2023 followed by seven more payments of £2,500 over the next two months and a payment of £3,322.45 on 25 January 2024. In total Mr M sent £23,523.45 in connection with this scam. All the payments were made by debit card and it appears the money was sent to the scammers via a money remittance platform.

Mr M says he could see he had made a substantial profit from the investments and attempted to make a withdrawal. Mr M said he was then unable to withdraw his money or access the website for the business. At this point Mr M realised he had fallen victim to a scam.

Santander did not uphold Mr M's complaint. It said Mr M had authorised the payments. Unhappy with Santander's response, Mr M referred his complaint to this service.

Our investigator said they didn't think Mr M's complaint against Santander should be upheld. They noted Santander had spoken to Mr M on a number of occasions about the payments. In particular, they noted Mr M had contacted Santander after he made the second payment as he was concerned he might have been scammed. However Mr M subsequently contacted Santander to say he was satisfied it was a genuine investment, and did not want to try to recall his payment, despite warnings from Santander.

As Santander had engaged with Mr M and provided scam warnings and as the disputed payments were not in quick succession and were made to a genuine merchant, our investigator said they didn't think Santander could reasonably have been expected to do more.

Mr M did not accept our investigator's view. He said he felt Santander was at fault for not questioning him in more detail about the payments he was making. He said if it had done so,

he felt the scam would have been uncovered.

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.

It is not in dispute that Mr M has fallen victim to a cruel scam. What is in dispute is whether Santander should refund the money Mr M lost to this scam.

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.

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 2017 and the terms and conditions of the customer's account. And I have taken this into account when deciding what's fair and reasonable in this case.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having 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 anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had 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). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help 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 M when he authorised the payments from his account, or whether it could and should have done more before processing the payments.

Mr M contacted Santander after he made the second payment of £2,500 on 29 December 2023. Santander has provided a recording of this conversation, and its subsequent conversations with Mr M, to this service.

During the call Mr M said that he had a 'gut feeling' he was being scammed and wanted to stop the £2,500 payment he had made. He explained the payment was to a trading platform and he wanted to stop the payment as he had not heard from the representative he had been dealing with at the trading platform since he had made the payment.

Santander asked for details of the scam and agreed with Mr M, based on the information he had provided, that it was likely he was being scammed. As Mr M's position was that he thought he had been scammed the conversation focussed on the nature of the scam. Santander confirmed it would be blocking Mr M's card and issuing a new card as he had

made the payment by card and there was a possibility that his card details might have been compromised. Mr M was also advised not to engage with the scammers if they contacted him again and to be very wary of anyone contacting him offering to help get his money back.

Mr M then called Santander again on 2 January 2024, in this call Mr M said he was satisfied that he wasn't being scammed and that he did not want Santander to attempt to recall the payment. Santander asked Mr M whether he was being pressured by anyone to make the payment, whether he had checked he was dealing with a regulated business and whether he had been promised unrealistic returns. Despite this questioning from Santander Mr M reiterated that he didn't think it was a scam and wanted to withdraw his scam claim.

Mr M then contacted Santander again on 4 January 2024, to check that the payment he had previously tried to recall had been paid. He again reiterated that he was satisfied that he wasn't being scammed. Santander confirmed that the payment had not been recalled.

On 11 January 2024, Mr M contacted Santander again. It appears Santander had blocked a card payment he had tried to make to the same merchant for £2,500. Unfortunately there is no recording of this call. There was then a further conversation between Mr M and Santander on 12 January 2024. In this call Mr M told Santander that he didn't think he was being scammed, wanted the payment to be approved and didn't want to go through the scam awareness information again as he had already been given the information 'a hundred times' and was satisfied he wasn't being scammed.

Having carefully considered the information available and having listened to the call recordings, I don't think that, even if Santander had been more persistent in its questioning, it would have made a difference. Mr M was very clear in his conversations with it, that, despite his earlier misgivings, he didn't think he was being scammed and was satisfied the investments were genuine.

The answers he gave to Santander also reassured it that it was not likely Mr M was falling for a scam. In particular he said he wasn't being pressured to make any investments, and hadn't been promised unrealistic returns. Likewise, given the pattern of payments there was nothing to show the value or frequency of the payments was increasing which is often the hallmark of a scam.

I am mindful that Mr M contacted Santander concerned that he might be being scammed and then withdrew his request for the payment to be recalled. I think Santander, not unreasonably, formed the view that Mr M was being cautious and was only withdrawing his recall request when he had taken further steps to satisfy himself the investment was genuine.

It is very unfortunate that Mr M did not act on his 'gut feeling' that he was being scammed and this leads me to think that Mr M was under the spell of the scammer as it appears the scammer was able to convince Mr M that the investment opportunity he was being offered was legitimate despite the questioning and fraud awareness information Santander provided.

I am also mindful that, it appears Mr M did not check whether the business was regulated by the industry regulator, the FCA, despite having been advised to check this by Santander before investing.

Having carefully considered this matter, I don't think Santander can reasonably be required to reimburse Mr M for the money he lost to this cruel scam as I don't think it can be held responsible for the loss Mr M has suffered.

Recovery of funds

I've also looked at whether Santander took the steps it should have once it was aware that the payments were the result of fraud.

As the payments were made by debit card, the chargeback process is relevant here. As our investigator explained, the chargeback scheme is a voluntary agreement between card providers and card issuers who set the scheme rules. It is not enforced by law.

Under the scheme rules there needs to be a right to a chargeback and a merchant or merchant acquirer can defend a chargeback if it does not agree with the request. We would only expect Santander to raise a chargeback if it was likely to be successful.

Based on the available evidence I don't think a claim would have been successful. I say this because Mr M authorised the payments to a legitimate money remittance platform. From there I understand the funds were transferred on to the scammer.

If Santander had tried to recover the money, it could only have recovered it from Mr M's own account with the remittance platform. I understand the money was moved on to the scammers very shortly after it had been paid to the platform. I am also mindful that Mr M could have withdrawn any remaining money in his account with the remittance platform.

I am therefore satisfied there were no grounds for Santander to raise a chargeback.

My final decision

My decision is that, for the reasons I have set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 March 2026.

Suzannah Stuart
Ombudsman