

## **The complaint**

Mr H has complained Santander UK plc won't refund transactions he didn't authorise.

## **What happened**

In April 2025 Mr H's mobile phone was stolen. Thieves were able to access his accounts, including the one he held with Santander. A number of Apple Pay transactions, as well as payments to Mr H's account held with another financial provider (who I'll call C), were made without Mr H's authorisation.

Mr H complained to Santander. There were a few issues with how Santander managed their response to Mr H. However, they refunded the Apple Pay transactions and noted that a further large-value transaction made to a merchant had been identified as suspicious and refunded by the merchant. They wouldn't refund the transactions that had been made to Mr H's account with C as they didn't believe the loss lay with Santander.

Mr H brought his complaint to the ombudsman service.

Our investigator believed the Payment Services Regulations 2017 (PSRs) were clear on transactions being refunded if they were unauthorised. He asked Santander to refund the transactions made to C.

Santander pushed back on this stance as they didn't believe it was fair and reasonable. They were concerned that Mr H could still complain to C, and potentially get refunded twice for the same disputed transactions.

Mr H's complaint has been referred to an ombudsman for 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.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

When considering what is fair and reasonable, 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 relevant time.

The regulations which are relevant to Mr H's complaint are the Payment Services Regulations 2017 (PSRs). These primarily require banks and financial institutions to refund customers if they didn't make or authorise payments themselves. The PSRs require banks and financial institutions to provide evidence if they believe a customer has acted with gross negligence which means that the customer may not be refunded.

To help me come to a decision, I've reviewed the evidence Santander provided as well as

Mr H's testimony.

There is no real dispute about whether there was any authorisation of the disputed transactions. Santander's own evidence and the evidence Mr H has provided confirm that Mr H's phone was stolen. Numerous transactions were then made, including the payments to C. Some of these required additional authentication and codes were sent to Mr H's mobile. Obviously as this was in the hands of fraudsters, they were able to use these codes and authenticate what was needed. Mr H's account with Santander was practically emptied.

I'm satisfied all of the disputed transactions, including those to his account with C, were unauthorised.

Therefore, I have little choice but to confirm that under the requirements of the PSRs Santander should refund Mr H for the outstanding transactions in dispute. Santander has received detailed correspondence from our investigator detailing the regulations behind this decision.

I am cognisant of Santander's argument that the funds went to another account in Mr H's name. But they are aware these transactions are unauthorised, rather than authorised transactions where liability can be shared and where in some cases transactions made to another account in an individual's name would not be refunded. Again, this isn't in dispute.

We've shared Mr H's statement with C with Santander. They're able to see that the fraudsters also removed other funds held within that account. There are mechanisms for banks and financial institutions to communicate and claim back money which one or the other has repaid to a customer. That option remains open to Santander.

Mr H was concerned that Santander allowed fraudsters to make these transactions without interruption. But it's clear from Santander's evidence that they did require additional authentication. I don't believe they'd have otherwise been required to stop the transfers made to Mr H's account with C.

### **Putting things right**

Santander will need to repay Mr H for the unauthorised transactions made from his Santander account which they've not so far refunded.

Santander has also offered £100 to Mr H for the issues they had with managing his fraud claim. I believe this is fair.

### **My final decision**

For the reasons given, my final decision is to instruct Santander UK plc to refund Mr H for the unauthorised transactions made to his account with C.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 24 October 2025.

Sandra Quinn  
**Ombudsman**