

The complaint

Mr M 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.

In summary Mr M fell victim to an impersonation scam. Mr M believed he was purchasing flights and accommodation, but unfortunately it was scammers impersonating a travel company.

As a result of the scam, on 17 February 2025, Mr M authorised a credit card payment of £510 and was led to believe it hadn't gone through, so subsequently authorised a second card payment of £510. Mr M didn't receive any booking confirmation and realised he had been the victim of a scam.

Mr M reported the matter to Santander. It transpired that Mr M had authorised two card payments to a merchant that provides international money transfers and foreign exchange. Ultimately, Santander didn't consider it was liable to reimburse Mr M. It also attempted a 'chargeback' which the merchant, having provided the services requested of it, defended.

Due to the poor service in logging Mr M's fraud claim, Santander offered and paid £75 compensation which it paid on 26 May 2025.

Unhappy with Santander's response, Mr M 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 M, despite being a victim of a scam, had 'authorised' the payments, as Mr M had used his Santander card details and approved the execution of the payments by using 3D Secure ('3DS'). The Investigator also didn't think Santander ought to have done more to identify the payments as potentially fraudulent in the circumstances. And they also considered there wasn't anything Santander could have done to recover any funds as a 'chargeback' had no reasonable prospect of success and there wasn't any protection under Section 75 of the Consumer Credit Act 1974 either.

Mr M 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 M'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.

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.

The question I have to ask myself here is whether the payment transactions made are considered as authorised as set out by the PSRs. So, whether Mr M consented to the execution of the payment transactions. Consent, in this context, is explained within the PSRs as being given in the form and in accordance with procedure agreed between the payer (Mr M) 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 M knew at the time he completed the procedure for giving consent.

Mr M provided/used the relevant card details for the transactions to be paid, and Mr M was required to approve them in app through 3DS. So, Mr M was aware of the payments and amounts (albeit under deception) and unfortunately, by providing or using his card details in this way, Mr M 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 M has authorised the card transactions in dispute and is therefore responsible for them. That remains the case even though Mr M was the unfortunate victim of a cruel scam.

Could Santander have done more to prevent Mr M'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 M 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 M 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 a legitimate merchant and Mr M had approved the payments using 3DS – so Santander would have known it was Mr M making the payments. So, I don't think Santander acted unreasonably in not flagging the payments for any further additional checks and I don't think it needed to go further such as speaking with Mr M about the payments.

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

I appreciate Mr M 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 1974' claims), the nature of what happened here meant there was no likely chance for Mr M's card payments to be recovered. Mr M had unfortunately been duped into paying a genuine merchant. And any claim/dispute Santander submitted would've been made against the merchant, and the merchant would, more likely than not, have defended its position that the goods/services that had been paid for, had been provided, meaning the claims would've been unsuccessful. So, given the nature of the scam and what happened here, there was no mechanism that could enable Mr M's funds to be reasonably disputed or recovered.

Distress and inconvenience

I note that Santander offered and paid £75 for the distress and inconvenience caused to Mr M around its logging of the fraud claim and the delays and confusion he subsequently encountered. I'm pleased to see Santander acknowledged its service fell short and that it caused unnecessary delays, which would have undoubtedly caused additional distress and inconvenience to Mr M, and I consider the amount offered and paid is fair.

Summary

I'm very sorry to hear of what's happened to Mr M. He thought he was paying for flights and accommodation from a genuine travel company and has been left out of pocket as a result. He has my sympathies, but overall, while I appreciate Mr M'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 M, by providing/using his card details, consented to the execution of the payment transactions. Santander followed Mr M'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 a genuine merchant who carried out the goods or services required, there was no other mechanism in which Santander could reasonably have attempted to recover Mr M'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 M to accept or reject my decision before 10 March 2026.

Matthew Horner
Ombudsman