

Following the provisional decision issued on this complaint 24 October 2025. I've considered the additional points raised by Mr A. Having done so, my decision remains unchanged. I appreciate that this will come as a disappointment to Mr A and have set out my final decision below.

The complaint and background

Mr A complains that Santander UK Plc ('Santander') won't reimburse a £175.81 credit card payment he lost to an investment scam.

He has explained that he thought he was transferring funds to his own account with a company I'll refer to as "BM", but when he saw a pending payment to "L" on his statement, he realised he had been scammed.

Two investigators reviewed the case and didn't uphold the complaint. They concluded that the payment didn't look suspicious such that Santander ought to have made additional checks before processing the payment, and that it wasn't liable under section 75 of the Consumer Credit Act 1974 ("section 75").

Mr A has asked for the matter to be referred to a decision, specifically mentioning section 75, which he believes entitles him to a full refund.

As an agreement couldn't be reached this case has passed to me for a final 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.

As I mentioned before, I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Should Santander have intervened before processing the payment

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Santander ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

I have reviewed Mr A's account and the payment he made to the scam. Having considered when it was made, the value, and who the payment was made to, I'm not persuaded Santander ought to have found the payment suspicious, such that it ought to have made enquires of Mr A before processing it. I accept the payment was to new payee, and that the

merchant is based overseas, but that doesn't mean the payment should automatically be treated as suspicious, and the value of the payment was so low that Santander didn't need to intervene. I'm not persuaded that there are enough concerning factors for Santander to have treated the payment as suspicious, so I don't think Santander needed to intervene before processing the payment.

Section 75 of the Consumer Credit Act 1974 ("section 75")

I've considered whether Santander is liable for the payment under section 75. As a starting point, it's useful to set out what section 75 specifically says:

"(1) If the debtor under a debtor-creditor-supplier agreement falling within section 12(b) or (c) has, in relation to a transaction financed by the agreement, any claim against the supplier in respect of a misrepresentation or breach of contract, he shall have a like claim against the creditor, who, with the supplier, shall accordingly be jointly and severally liable to the debtor.

- (3) Subsection (1) does not apply to a claim –
- a) under a non-commercial agreement,
 - b) so far as the claim relates to any single item which the supplier has attached a cash price not exceeding £100 or more than £30,000 . . ."

To summarise, there must therefore be:

- 1. a debtor-creditor-supplier agreement falling under section 12(b) or 12(c); and
- 2. a transaction financed by the agreement; and
- 3. a claim for misrepresentation or breach of contract related to the transaction;
- 4. but not a claim which relates to any single item to which the supplier attached a cash price not exceeding £100 or more than £30,000

After carefully considering the information given, I'm not persuaded that there was a relevant "debtor-creditor-supplier" (DCS) agreement here and I'll explain why.

Mr A thought he was paying BM despite the payment going to L. However, under section 75 it isn't enough for Mr A to believe that's who he was paying. For section 75 to apply there needs to be a DCS agreement – and there would only be one here if the "S" (the supplier) was L, not BM. That's because Mr A paid L, not BM.

For there to be a valid DCS agreement, Mr A would have needed to have paid the party supplying the service and not a separate third-party. As BM was contracted to supply the service, that means the payment had to go to BM. However, Mr A didn't pay BM, he paid L, a separate entity. So there's no DCS agreement here.

I originally concluded that the payment most likely went to an account controlled by BM regardless of the merchant's name. But after carefully considering all the information given, I'm not persuaded that L and BM are the same entity or that L was acting as a payment facilitator for BM. I say this because the "merchant category code" for L is one used for education, which I cannot reasonably accept is something related to investment services. As I've not seen anything from the other information available that otherwise establishes a link between BM and L, on balance I don't think the two entities are linked.

I appreciate that the above will likely come as a disappointment to Mr A. However, the reasons explained, as L was not responsible for providing the goods or services, and there isn't enough on balance to conclude that L is either the same entity as BM or acting as BM's payment processor, I'm therefore not satisfied that the necessary DCS agreement exists and consequently that section 75 applies.

My final decision

My final decision is that I do not uphold the complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 December 2025.

Sureeni Weerasinghe
Ombudsman