

The complaint

Miss B complains that Santander UK Plc ('Santander') declined to reimburse her after she says she fell victim to a romance scam.

What happened

The circumstances of this complaint are well known to both parties, so I will not go into every detail of what happened here. But, in summary, Miss B met a man who I will call 'Mr Z' online in 2020. They embarked upon an online relationship, and in 2021 he persuaded her to lend him £1,000 to help him start a new company which he said he would repay her once the business was in profit. He failed to reimburse her, and this led her to cease contact with Mr Z in early 2022.

A few months later, Mr Z got back in touch and apologised for his behaviour. Miss B gave him a second chance, and they eventually met in person and started a romantic relationship. Miss B explained that over the course of the next few years, she ended up paying for things like transport, groceries, entertainment, flights and business expenses. During this period, Miss B fell pregnant with and gave birth to Mr Z's child. She says that he did not repay her for the money she spent on him, and did not contribute towards their child.

Miss B later discovered that Mr Z had another romantic partner who was also funding his lifestyle without receiving any money in return. Then they discovered that Mr Z had a wife and children in his home country. Miss B said that the family were aware of what he was doing, but supported it as they gained financially from it. She cut off contact with Mr Z in 2024. Miss Z got in touch with HSBC and asked it to reimburse her losses as she believed she had fallen victim to a romance scam.

Santander declined to reimburse Miss B's losses. It said that this matter amounted to a private civil dispute rather than a romance scam. And so, it said they could not consider refunding Miss B under the provisions of the Lending Standard Board's Contingent Reimbursement Model ('CRM') Code. It did decide to reimburse her two transactions of £203 which Mr Z persuaded her to send to an unknown third party. Santander did contact receiving banks when Miss B reported the matter to them, but no funds were recovered.

Miss B was not happy with Santander's response so she escalated her concerns to this service. One of our investigators looked into what happened, and did not recommend that Miss B's complaint should be upheld. Whilst they empathised with what she had gone through, they agreed with Santander that this amounted to a private civil dispute. Miss B did not agree, so the case has 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.

When considering what is fair and reasonable, I am required to take into account: relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where

appropriate, what I consider to have been good industry practice at the relevant time.

In broad terms, the starting position in law is that a payment service provider is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (PSRs) and the terms and conditions of the customer's accounts. However, where the customer made the payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the provider to reimburse the customer even though they authorised the payment.

The CRM Code is of particular relevance to this case. It is a voluntary code which requires firms to reimburse customers who have been the victims of Authorised Push Payment (APP) scams like this in all but a limited number of circumstances. Santander was a signatory to the Code at the time the payments in dispute were made.

In order for me to conclude whether the CRM Code applies in this case, I must first consider whether the payments in question, on the balance of probabilities, meet the Code's definition of a scam. An 'APP scam' is defined within the Code at DS1(2)(a) as:

"Authorised Push Payment scam, that is, a transfer of funds executed across Faster Payments, CHAPS or an internal book transfer, authorised by a Customer in accordance with regulation 67 of the PSRs where:

- (i) The Customer intended to transfer funds to another person but was instead deceived into transferring the funds to a different person; or*
- (ii) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent"*

The CRM Code is also clear at DS2(2)(b) that it does not apply to "private civil disputes". So, in order to conclude that Santander should consider Miss B's complaint under the CRM Code, I would need to conclude that what happened was a scam on the balance of probabilities, rather than a private civil dispute.

Has Miss B been the victim of a scam, as defined in the CRM Code?

I have carefully considered the evidence before me to try and determine whether what happened to Miss B amounted to a romance scam, or a private civil dispute. Having done so, I am sorry to disappoint Miss B, but I do not think that this amounts to a scam such that Santander should reimburse her losses.

I do appreciate that Miss B's relationship began in a manner which bore some of the hallmarks of a romance scam – meeting online and sending funds before they had met. I also entirely accept that Miss B has been deceived by Mr Z here in terms of his life, their relationship and his fidelity. It is also clear that Mr Z accepted funds from Miss B numerous times during their relationship – and even asked her for funds. I accept that Miss B has since discovered that Mr Z's family had allowed him to continue in this manner due to the fact they gained financially from it, and that she was not the only victim of Mr Z.

Whilst Miss B did give Mr Z money and pay for things for him, and Mr Z did deceive her about their relationship, this is not in and of itself enough to say that Miss B was the victim of a scam. Unfortunately, this happens in genuine relationships and would amount to private civil disputes. To conclude this has been a scam I would have to conclude that Miss B's intention for the money she sent, was at odds with the intention Mr Z had for the funds, and that this was as a result of dishonest deception. And I do not think that there is enough evidence to conclude this.

Miss B did have a real, in-person relationship with Mr Z. It spanned several years and even led to the birth of her child. It is clear that she offered to lend him money and to pay expenses for him over the duration of this relationship. It appears from the correspondence that Miss B shared with our service that she proactively offered him financial help in the earlier days of the relationship, and that Mr Z came to expect this kind of support from her as the relationship continued.

However, there is not enough evidence to suggest that Mr Z was dishonest about the purpose of the funds he received. From what I have seen, the purpose Mr Z had in mind at the time the payments were made, was broadly in line with what Miss B understood to be the purpose of the payments. There is evidence to support that Mr Z travelled when she paid for his travel, that he did get groceries and other day to day living costs covered by her, and there is nothing to suggest he did not use her original funds to set up a business in his home country. She paid to support his living costs, and broadly speaking this is what he appears to have spent the money on. So, their purposes for the funds were broadly aligned. So, having considered everything, I am unable to say that Santander acted incorrectly by declining to reimburse Miss B on the basis this amounted to a private civil dispute rather than a scam.

This is by no means to diminish what Miss B was put through by Mr Z here. My role is to determine what the Santander's liability is, and unfortunately the evidence does not suggest that the high bar for the definition of a scam has been met here. I do not doubt that Mr Z took advantage of her, and at least one other woman, and I was so sorry to read about what she was put through.

My final decision

For the reasons I have outlined above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 15 January 2026.

Katherine Jones
Ombudsman