

## **The complaint**

Mrs H complains Santander UK Plc (“Santander”) hasn’t refunded money she says she lost as the result of a scam.

## **What happened**

Both parties are familiar with the circumstances of the complaint, so I’ll only summarise the details here.

Mrs H said in May 2024 she called a travel agent to book a holiday and visited a Santander branch as she wasn’t able to make the £900 payment over the phone. She told us the agent she spoke with told her she would receive confirmation of the booking via email within ten minutes of making the payment. Mrs H explained when she didn’t receive the email confirmation for the booking she visited the travel agent’s office, having taken the address during her call. Mrs H said when she arrived, she was told the travel agent was based at the address but that the number she’d used to make the booking wasn’t associated with it. Realising she had been scammed Mrs H contacted Santander to raise the matter, but her claim wasn’t successful.

It was confirmed that a booking had been made with the travel agent but not in Mrs H’s name. Santander said on this basis it couldn’t proceed with Mrs H’s claim as the service was provided, albeit not to Mrs H.

Mrs H complained to Santander, and her claim wasn’t paid. Santander said it made a service error and offered compensation which I’ve seen has been paid. It said the travel agent supplied evidence which didn’t relate to the booking Mrs H made, it said it would reopen the dispute and requested the information from the travel agent again, apologised and offered £150 compensation. However the evidence provided by the travel agent did in fact relate to the booking Mrs H made, the confusion came as the name on the booking wasn’t Mrs H. This meant the claim couldn’t be reopened and that Santander hadn’t made an error in closing the claim. Santander didn’t offer further compensation for the misinformation as it felt the £150 already awarded for closing the claim in error, which wasn’t in fact an error, was fair in the circumstances.

Unhappy with Santander’s response, Mrs H raised the matter with the Financial Ombudsman Service. One of our Investigators looked into the complaint and didn’t think Santander needed to reimburse her losses and felt that £150 was fair compensation for Santander incorrectly telling Mrs H her dispute could be reopened.

As an agreement could not be reached, the complaint has been 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.

I'm sorry that Mrs H has been the victim of a scam. I realise she's lost a meaningful sum of money and I don't underestimate the impact this has had on her especially given her vulnerabilities. And so, I'd like to reassure her that I've read and considered everything she's said in support of her complaint. But I'll focus my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. I know this will come as a disappointment to Mrs H but having done so, I won't be upholding her complaint for broadly the same reasons as our Investigator. I'll explain why.

In broad terms, the starting position at law is that banks and other payment service providers are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

Mrs H authorised the payment in question here – so even though she was tricked into doing so and didn't intend for her money to end up in the hands of a scammer, she is presumed liable in the first instance.

But as a matter of good industry practice, Santander should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: as while banks and Electronic Money Institutions should be alert to fraud and scams to act in their customers' best interests, they can't reasonably be involved in every transaction.

I've also thought about the Contingent Reimbursement Model which Santander is a voluntary signatory of. The code doesn't cover card payments and as Mrs H made the payment by card the code isn't relevant here.

I've thought about whether Santander acted fairly and reasonably in its dealings with Mrs H when she made the payment, or whether it should have done more than it did. In doing so I've considered what Santander knew about the payment at the time it received Mrs H's payment instruction and what action, if any, Santander took prior to processing the payment.

I don't think the payment was of an unusually excessive value that it ought to have caused Santander to be concerned that Mrs H was potentially falling victim to a scam and the payment was to a legitimate merchant which won't have caused Santander to be suspicious. As I don't think the payment was suspicious in nature to suggest to Santander that Mrs H was at a heightened risk of financial harm from fraud, I don't think it was unreasonable for Santander to have processed it in-line with Mrs H's instruction to do so. It therefore isn't fair to hold Santander liable for Mrs H's loss.

Additionally, I think even if Santander had intervened and asked Mrs H questions around the payment she would have been able to reassure Santander given she was of the belief that the booking was genuine and the issue only came to light after the payment was made.

I'm aware Mrs H visited the branch to make the payment as she couldn't complete it over the phone. Santander told us this was due to something called 3D secure. 3D secure isn't a mechanism to detect a scam related payment a customer authorises. Rather it's additional authentication for card payments to protect against unauthorised use of a customer's card. Here the payment wasn't authorised via 3D secure when Mrs H initially tried to make it and so it didn't go through. Having visited her branch, the payment was authorised as being made by Mrs H and so was processed.

Mrs H has also said she feels the payment could have been stopped as it was still pending when she raised the dispute. This isn't the case, a payment remains pending once it has been authorised by a customer, but the merchant hasn't yet claimed the funds and Santander won't have been able to stop the payment, just because it was pending.

As explained Santander awarded £150 which I've seen has been paid. Although it originally made this offer for incorrectly closing Mrs H's dispute, Santander had in fact closed it correctly and the error it made was telling her it could reopen the complaint when it couldn't. I've considered what happened and I think £150 is fair compensation for the additional distress and inconvenience this misinformation will have likely caused Mrs H, particularly considering her vulnerability, at an already difficult time. I therefore won't be asking Santander to pay any further compensation.

### *Recovery*

I've thought about whether there's anything else Santander could have done to help Mrs H—including if it took the steps it should have once it was aware that the payment was the result of fraud.

After the debit card payment was made, the only potential avenue for recovery of the payment would have been through the chargeback scheme. The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. Santander is bound by the card scheme provider's chargeback rules. Whilst there is no 'right' to a chargeback, I consider it to be good practice that a chargeback be raised if there is a reasonable chance of it succeeding. But a chargeback can only be made within the scheme rules, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. Time limits also apply. Unfortunately, the chargeback rules don't cover scams.

In any event I wouldn't have expected a chargeback to be successful because the service was provided. I know Mrs H feels it wasn't; however, a holiday was booked which is what the funds were intended for. Here though the booking wasn't in Mrs H's name and so she didn't benefit from it so I can understand why she feels a service wasn't provided, but unfortunately the service being provided to someone else and not Mrs H doesn't mean it wasn't provided.

I'm sorry to disappoint Mrs H further, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Santander needs to refund her money or pay any additional compensation. I realise this means Mrs H is out of pocket and I'm really sorry she's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

### **My final decision**

My final decision is that I do not uphold this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 10 November 2025.

Charlotte Mulvihill  
**Ombudsman**