

The complaint

Mr and Mrs I complain about the actions of Santander UK Plc after they fell victim to a scam.

What happened

The background to this complaint is familiar to the parties, so I'll simply summarise it here. On 4 October 2024 Mr I received a call from someone purporting to be an investment broker. Unfortunately, the caller ultimately turned out to be a scammer, and I'll refer to them as "the scammer" in this decision, even though I appreciate that Mr I didn't realise that was who he was dealing with at the time.

Mr I gave the scammer his name and contact details and, on the scammer's instructions, he made a payment of £830 by debit card from the account he held jointly with Mrs I. He understood this to be for the purchase of some shares. Mr I says he was told he'd receive login details for the trading platform within 30 minutes of making the payment. But the link he was sent didn't work, and he subsequently concluded that he'd been scammed when he received no further response from the scammer.

Mr I contacted Santander on 14 October 2024 and explained what had happened. On 25 October, Santander wrote to him to say that it had finished its investigation, and wouldn't be paying him back the £830. It said this was because Mr I had authorised the payment. And it said it was closing the claim.

Mr I complained to Santander on 1 December 2024, saying it had closed his dispute prematurely and unfairly. The following day, Santander sent Mr I a disputed payment form which he completed and he returned it to Santander around 12 December. On 28 December 2024 Santander wrote to Mr I, thanking him for returning the form, but saying that it was missing some important information that it needed to assess the claim. It said that without that information, it couldn't help him to get his money back, and his claim would be closed. It asked him to provide further evidence within 14 days, including an order confirmation or detailed description of what was ordered, confirmation of whether he'd received any services and details of his attempts to resolve the issue with the merchant, with copies of any correspondence.

In response, Mr I sent Santander a timeline of what had happened. He said he'd paid for a product which he hadn't received. And he enclosed a copy of the email the scammer had sent him with the login details that didn't work. He said he'd emailed the scammer about the issue, but had received no response.

Santander's provided a copy of a letter to Mr I, dated 21 January 2025. It thanks him for sending his disputed claim form, which it said it had considered along with the information Mr I had provided. It says "*Unfortunately, as we don't have enough information to support your claim, it's been closed.*" It says it may be able to reopen the claim if Mr I has new information that he hasn't already provided. Mr I says he didn't receive that letter.

In February 2025 Mr I complained to this service. He's dissatisfied that Santander closed his dispute on 25 October 2024 without reference to him, and without solving the problem. He says that in doing so, it overlooked the fact that he'd received nothing in return for his payment. He's pointed out that an authorised payment can still be made as part of a scam. And he believes the payment should be covered by card payment protections, as he received nothing in return. He's complained, in summary, that:

- He's lost £830, which he paid for a service he didn't receive.
- He's incurred expenses in chasing the matter up with Santander and with the merchant.
- He's elderly and disabled, and has experienced significant stress and worry as a result of the scam and Santander's handling of the dispute.
- He's experienced significant inconvenience in communicating with Santander to try to sort the matter out, which has been exacerbated by Santander's confusing and inconsistent communications.
- His confidence in Santander's ability to protect and assist him has been seriously shaken.

He'd like Santander to refund the £830, pay £30 to cover his out-of-pocket expenses, and as a token to reflect the significant time he's spent and distress and inconvenience he's experienced as a result of what he considers to have been Santander's mishandling of the matter. And he'd like Santander to provide him with a written apology and acknowledgement of its errors in closing the dispute prematurely and its poor communication.

One of our investigators considered the complaint, but didn't think it should be upheld. In summary, he didn't think Santander could reasonably have been expected to prevent the payment. And he didn't think it had acted unfairly in not refunding the payment itself, or in deciding not to pursue a chargeback claim.

Mr I disagreed with the investigator's view, so the complaint's been passed to me.

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've set out the background to the complaint in less detail than the parties, and I've done so using my own words. I'm not going to respond to every individual point made by the parties. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. It's just that I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

I'd like to say at the outset that I was sorry to hear that Mr I fell victim to a cruel scam. I have considerable sympathy for him, and I don't underestimate the impact this will have had on him. My role here is to decide whether it's fair and reasonable to hold Santander responsible for his loss, and whether it's fair to require it to pay compensation to Mr I, or to do anything else.

I can only fairly require Santander to refund the £830 if I think it should have taken action that would more likely than not have prevented the payment, or if I think that once the payment had been made, it failed to take action that would more likely than not have led to the money being recovered.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations, regulators' rules, guidance, standards and codes of practice and, where appropriate, what I consider to have been good industry practice at the time. Taking those things into account, I think that at the time the payments were made, Santander should have been doing the following to help protect its customers from the possibility of financial harm:

- monitoring accounts and payments to counter various risks, including fraud and scams;
- keeping systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things) – especially given the increase in sophisticated fraud and scams in recent years, with which financial institutions are generally more familiar than the average customer;
- acting to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring that all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, regardless of the payment method used, taking additional steps, or making additional checks, before processing a payment, or, where appropriate, declining to make a payment altogether; and
- being mindful of - among other things – common scam scenarios, how fraudulent practices were evolving (including, for example, the common use of multi-stage fraud by scammers) and the different risks these can present to consumers when deciding whether to intervene.

There's a balance to be struck. Banks have obligations to be alert to fraud and scams and to act in their customers' best interests. But they can't reasonably be involved in every transaction. And here, I don't think it was unreasonable of Santander to process the payment without doing more than it did. While I recognise that the payment was a significant amount of money, it wasn't high enough that I'd have expected Santander to identify it as suspicious based on its size alone. And it didn't stand out enough from Mr I's usual account activity that I think Santander should have been alerted to the possibility that Mr I was at risk of financial harm from fraud by making the payment.

Mr I's complaint has revolved chiefly around what he considers to have been Santander's poor response and communications after he told it he'd lost the payment to a scam. I think Santander could perhaps have been clearer in setting out why it closed the case in its letter of 25 October 2024. It simply stated that it wouldn't be paying back the £830 because Mr I authorised the payment. Santander will know that there are circumstances in which we'd take the view that even if a payment is authorised, a bank should identify a payment as a cause for concern and intervene. But I've explained above that in this case, I don't think it was unreasonable of Santander to process the payment as it did.

Mr I made the payment by debit card. There's a code called the Contingent Reimbursement Model, which requires banks to refund payments made to scams in some circumstances. But the code doesn't cover authorised card payments. Mr I has referred to section 75 of the Consumer Credit Act. But that doesn't apply to payments made by debit card, so isn't applicable here. And there are no other rules under which I consider that Santander should have reimbursed Mr I.

Turning to the question of whether Santander could have recovered the payment, as Mr I has pointed out, there's a process known as chargeback. I know he feels strongly that Santander should have pursued a chargeback claim with the merchant.

But chargeback isn't an automatic right, and banks don't have to raise a claim where there isn't a reasonable prospect of success. In this case, Santander's explained that it didn't initiate a chargeback claim when Mr I first contacted it because it thought it unlikely to succeed, on the grounds that the shares that Mr I had paid for had likely been provided by the merchant, albeit to the scammer or a third party, rather than to Mr I. And having concluded that it wasn't itself obliged to refund the payment, it told Mr I that it had closed his claim.

Santander could perhaps have explained specifically that it hadn't started a chargeback claim. But after Mr I contacted it at the beginning of December 2024, it asked for information from him with a view to making such a claim. Mr I returned the completed dispute form, and provided information again after Santander requested further details in late December. But Santander took the view that the limited information and evidence provided wouldn't be enough to give a claim a reasonable prospect of success, so it closed it, explaining that it might reopen it if Mr I provided new information. This was a decision that it was entitled to take.

It appears that Mr I didn't receive Santander's letter. But Santander's records show it as having been generated, and I'm satisfied, on balance, that it was sent. So I can't fairly hold Santander responsible if it didn't reach Mr I. I should add that Mr I hasn't provided any significant evidence to us that he didn't provide to Santander. So I think it unlikely, in any event, that it would have made a difference if Mr I had received the letter.

I know that Mr I feels strongly about his complaint, and I know he'll be disappointed by my decision. I have sympathy for him for the loss he's suffered. But I'm satisfied that he didn't lose out financially because of anything Santander did wrong. Ultimately, he unfortunately made a debit card payment to a scammer. For the reasons I've set out, I'm not satisfied that there's any reason why Santander should refund the payment. And I don't think it was unreasonable of it to take the view, based on the information it had, that a chargeback claim would be unlikely to succeed. Although I accept that Santander's communications could perhaps have been clearer, I don't consider that they were so poor that I can fairly require Santander to pay Mr I compensation for this.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs I to accept or reject my decision before 11 December 2025.

Juliet Collins
Ombudsman