

The complaint

Miss C complains that Santander UK Plc didn't do enough to protect her from the financial harm caused by an investment scam, or to help her recover the money once she'd reported the scam to it.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Miss C was introduced by a friend to Company H. The friend said he'd made good returns by investing in cryptocurrency, that he'd been able to make withdrawals from the platform, and that she could make returns of up to four times her investment.

Miss C saw positive reviews online and was given a 'white paper' which explained how the company worked, and how it was planning to expand in the years to come. She was required to first purchase cryptocurrency through cryptocurrency exchange companies and then load it onto an online wallet. Between 7 September 2021 and 31 October 2022, Miss C made 74 faster payments and 39 card payments to three different cryptocurrency exchanges from her Santander account totalling £81,306.68. During the period, she received £27,828.86 into the account. She also made payments totalling £4,743.80 from R.

Miss C was added to a group chat with other investors and could see the funds in her trading account. She successfully made withdrawals, but she realised she'd been scammed when the withdrawal process became difficult, and she was no longer able to withdraw any funds from the platform. She complained to Santander, but it refused to refund any of the money she'd lost, explaining the Contingent Reimbursement Model ("CRM") Code didn't apply because Miss C had paid an account in her own name.

Miss C wasn't satisfied and so she complained to this service with the assistance of a representative who said Santander should have intervened because Miss C made multiple large payments to cryptocurrency, which was unusual for the account. They said it should have asked probing questions and provided scam education, and had it done so it's likely she'd have explained why she was making the payments and listened to the advice to do more checks.

They argued that Miss C hadn't invested in cryptocurrency before and that the payments were unusual compared to the usual spending on the account. They said Santander should have asked why she was making the payments and whether she'd done any research, and as she hadn't been coached, the scam could have been prevented.

Responding to the complaint, Santander said it contacted Miss C on 8 September 2021 when she made a payment of £12,500. The payment was subsequently released after a phone call.

It further argued that Miss C failed to take note of an FCA warning dated 23 March 2021, and there were negative reviews online about H around the time of the investment. It

maintained the payments weren't unusual because Miss C was sending funds to an account in her name, and they were low value and consistent with the account opening purpose, so there was no indication that she was at risk of financial harm.

Our investigator didn't think the complaint should be upheld. She noted that Santander blocked the first payment, and when Miss C indicated it was for an investment, she was shown a warning about investment scams. Based on the value of the payment she, was satisfied this was proportionate to the risk presented by the payment.

She noted that Santander intervened again before the second payment, but there was no call recording. She thought it was most likely that Miss C would have said she was making the payment for an investment, therefore she should have been warned about cryptocurrency scams. But she didn't think this would have resonated with Miss C because some of the hallmarks of cryptocurrency scams weren't present. She further explained that the most Santander would have been able to do was to recommend further checks and as Miss C was satisfied with what she'd seen online, she didn't think she'd have done further checks, considering she trusted the person who introduced her to the opportunity.

Our investigator acknowledged that if Miss C had mentioned H, Santander could have referred her to the FCA warning dated March 2021, but she didn't think this would have stopped her from making the payments. She thought the friend would have been able to persuade her the investment was genuine and she commented that the messages from the group chat showed the possible answers she would have received if she'd questioned whether H was genuine. So, she didn't think Santander missed an opportunity to prevent Miss C's loss.

Our investigator also explained that there were further high value payments, and multiple payments made on the same day in October and November 2021, but she didn't think further intervention would have made a difference.

Finally, she explained that she didn't think there was any chance of a successful chargeback because Miss C successfully bought cryptocurrency and was provided with the goods and services she paid for. And the payments were sent to accounts in Miss C's name and sent onwards from there, so there was no prospect of a successful recovery.

Miss C has asked for her complaint to be reviewed by an Ombudsman. Her representative has argued that Santander's interventions were inadequate and that it Santander could have alerted her to the FCA warning. They've also argued the fact Miss C ignored a warning from an individual in a group chat doesn't mean she'd have ignored a warning from Santander, because a warning from a regulated bank would have a greater impact than a message in a group chat. And they don't accept the later payments weren't unusual.

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've reached the same conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Miss C has been the victim of a cruel scam. I know she feels strongly about this complaint, and this will come as a disappointment to her, so I'll explain why.

I'm satisfied Miss C 'authorised' the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although she didn't

intend the money to go to scammers, under the Regulations, and under the terms and conditions of her bank account, Miss C is presumed liable for the loss in the first instance.

There's no dispute that this was a scam, but although Miss C didn't intend her money to go to scammers, she did authorise the disputed payments. Santander is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

Prevention

I've thought about whether Santander could have done more to prevent the scam from occurring altogether. Buying cryptocurrency is a legitimate activity and from the evidence I've seen, the payments were made to genuine cryptocurrency exchanges. However, Santander ought to fairly and reasonably be alert to fraud and scams and these payments were part of a wider scam, so I need to consider whether it ought to have intervened to warn Miss C when she tried to make the payments. If there are unusual or suspicious payments on an account, I'd expect Santander to intervene with a view to protecting Miss C from financial harm due to fraud.

Santander showed Miss C a warning before the first payment and it called her before the second payment, which was £12,500 on 8 September 2021. Unfortunately, there's no call recording available so I can't assess whether the intervention was proportionate to the risk presented by the payment.

As Miss C was making such a high value payment to a cryptocurrency exchange, Santander ought to have asked her why he was making the payment, whether there was a third party involved and if so how she'd met them, whether she'd downloaded remote access software, whether she'd been promised unrealistic returns, whether she'd made any withdrawals, whether she'd been coached to lie, whether she'd done any due diligence and whether she'd been advised to make an onwards payment from the cryptocurrency exchange.

There's no evidence that Miss C had been coached to lie and so I think she'd have answered the questions honestly. But I don't think her responses would have raised concerns because she'd been referred to the investment by a friend who believed he'd made a profit and had successfully made a withdrawal, and she wasn't being guided by a broker or a financial advisor. Further, she hadn't downloaded remote access software, she hadn't been promised unrealistic returns, and she'd done what she thought was reasonable due diligence. So, the investment didn't have the typical hallmarks of a scam.

In the circumstances, I would still expect Santander to have warned Miss C about cryptocurrency investment scams and to have given her some advice about additional due diligence. But I don't think this would have made any difference because Miss C had already done some checks and satisfied herself the investment was genuine.

Our investigator has commented on discussions in the group chat, and I accept its possible Miss C didn't read all the messages. But I agree this evidence shows what would have been said on the chat if Santander had alerted her to the FCA warning (which I wouldn't expect it to), and I'm satisfied she was active on the chat around the time of the payment, so I think she'd have reverted to and been reassured by the chat group if she had concerns following scam warnings from Santander. So, I don't think a proportionate intervention from Santander would have stopped the scam.

As none of the later payments exceeded the second payment, I don't think Santander needed to contact Miss C again. And even if it had done, for the reasons outlined above, I

don't think questions and a warning would have made any difference, particularly because, as the investment progressed, Miss C was able to make withdrawals into her Santander account which would have further satisfied her that the investment was genuine. So, I don't think there were any further opportunities to stop the scam.

I'm sorry to hear Miss C has lost money and the effect this has had on her. But for the reasons I've explained, I don't think Santander is to blame for this and so I can't fairly tell it to do anything further to resolve this complaint.

Recovery

I don't think there was a realistic prospect of a successful recovery because Miss C paid accounts in her own name and moved the funds onwards from there.

I've also thought about whether Santander could have done more to recover Miss C's payments when she reported the scam to it. Chargeback is a voluntary scheme run by Visa whereby it will ultimately arbitrate on a dispute between the merchant and customer if it cannot be resolved between them after two 'presentments'. Such arbitration is subject to the rules of the scheme — so there are limited grounds on which a chargeback can succeed.

Our role in such cases is not to second-guess Visa's arbitration decision or scheme rules, but to determine whether the regulated card issuer (i.e. Santander) acted fairly and reasonably when presenting (or choosing not to present) a chargeback on behalf of its cardholder (Miss C).

Miss C's own testimony supports that she used cryptocurrency exchanges to facilitate the transfers. It's only possible to make a chargeback claim to the merchant that received the disputed payments. It's most likely that the cryptocurrency exchanges would have been able to evidence they'd done what was asked of them. That is, in exchange for Miss C's payments, they converted and sent an amount of cryptocurrency to the wallet address provided. So, any chargeback was destined fail, therefore I'm satisfied that Santander's decision not to raise a chargeback request against either of the cryptocurrency exchange companies was fair.

Compensation

The main cause for the upset was the scammer who persuaded Miss C to part with her funds. I haven't found any errors or delays to Santander's investigation, so I don't think she is entitled to any compensation.

My final decision

For the reasons I've outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 10 December 2025.

Carolyn Bonnell
Ombudsman