

The complaint

Mr F complains that Santander UK Plc won't refund the money he lost to an investment scam.

What happened

In 2023, Mr F says he decided to take up an investment opportunity after he was contacted by someone from a trading firm which I will refer to as "N". Between January 2024 and July 2024, Mr F used his Santander credit card account to make seven payments to N. Mr F says that another person from the trading firm contacted him in May 2024 to say that his original contact had been fired for operating an internal scam. Mr F continued to work with the new contact making trades but realised he had fallen victim to scam when he could not withdraw any money, and his account balance had fallen to zero.

Santander didn't agree it had made any mistakes which led to Mr F losing money, so it didn't agree to refund any of the transactions.

Our investigator didn't think it was clear that Mr F was the victim of a scam. He said that the businesses involved in the alleged scam, were still in operation and registered on the Financial Conduct Authority (FCA) website. Our investigator said the regulator hadn't published any warnings about the businesses which might have identified them as fraudulent companies. Our investigator said that Mr F hadn't provided persuasive evidence to demonstrate that he had been scammed.

Our investigator noted that Mr F had been able to withdraw funds from the business to another credit card. Overall, our investigator wasn't persuaded that the businesses complained about had been fraudulent.

Our investigator said that even if he accepted N was operating a scam, he wasn't persuaded the payments would have appeared unusual. So, there would have been no reason for Santander to intervene.

Our investigator didn't think that a claim to recover the payments under section 75 would have been successful.

Mr F disagrees with the outcome. He says the scammer told him when to deposit funds so they could place the trades, and he had no control over which trades were made. Mr F says he doesn't have the skills or knowledge to place trades analysing specialist markets. Mr F points out that scammers can be employees of companies and that the broker continues to trade. Mr F has supplied screenshots of documents which he says show that the broker was operating a scam.

As Mr F remains unhappy with the outcome of his complaint, it has come 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.

Having done so, I am not upholding this complaint for broadly the same reasons given by our investigator. In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities - in other words on what I consider is more likely to have happened based on the evidence available and the surrounding circumstances.

For the sake of completeness, the Contingent Reimbursement Model (CRM) Code doesn't apply in this case because Mr F made the payments using his credit card.

Mr F doesn't dispute that he authorised the disputed payments from his Santander credit card. So, the starting point under the relevant regulations (in this case, the Payment Services Regulations 2017) together with the terms of Mr F's account, is that he is responsible for payments he's authorised himself.

Taking into account the law, regulators' rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that in 2024, Santander should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had 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). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – as in practice all banks do;
- have acted to avoid causing foreseeable harm to customers for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enable it to do so; and
- have been mindful of – among other things – common scam scenarios, the evolving fraud landscape (including for example the use of multi-stage fraud by scammers) and the different risks these can present to consumers, when deciding whether to intervene.

Although Santander has a responsibility to protect customers against the risk of financial harm due to fraud, it isn't obliged to protect customers against the risk of bad bargains or give investment advice. So, before Santander has any potential liability in the matter, I must first be satisfied the disputed transactions were lost to a scam.

When considering Mr F's case, I have paid attention to his testimony and supporting evidence of the scam. Although Mr F has supplied chat history from 2024, this doesn't evidence how the alleged scam began back in 2023. The screenshots Mr F sent in response to the investigation outcome appear to show online reviews and discussions about N rather than specific evidence of the scam he says he fell victim to. I appreciate that some of the

things he's mentioned in his testimony raise concerns about the nature of what he was involved in – but, given the amounts involved, we couldn't safely conclude he was scammed without evidence to back up what he's said. Based on the limited information we have, it is difficult to find that Mr F was the victim of a scam, rather than a high-risk investment opportunity.

Whilst the trading platform is not regulated in the UK, it is still operational and used for genuine trading. I believe it's regulated by an overseas financial regulator. Because we have also considered other complaints made by Mr F about losses involving the same alleged scam, I know that N is part of a group of companies, some of which operate in the UK. The group company operating in the UK is regulated by the FCA and has confirmed that the trading account number provided by Mr F belongs to a group company operating overseas – suggesting that Mr F made the payments to the real N, rather than a cloned version.

Even if I were persuaded that the transactions related to a scam, it wouldn't change the outcome of Mr F's complaint, and I will explain why.

In Mr F's case, he disputes seven payments he made to N using his Santander credit card. The largest payment of £3,000 was made on 10 January 2024, with another payment of £2,000 on 16 January 2024. There was then a gap of two months before the next transaction for £2,000 on 18 March 2024, followed by a further payment of £2,000 on 21 March 2024 and £1,000 at the end of March 2024. There was another break of over a month until the next payment of £1,500 in early May 2024. The final payment to N was made two months later in early July 2024. I am not persuaded that the size or pattern of any of these transactions should have appeared unusual to Santander. Particularly as Mr F cleared his balance in full each month and also received a credit from N to his account in January 2024. Although investment trading can be a high risk, the payments were going to a trading platform with nothing in the public domain at the time to suggest it was a scam.

For all the reasons set out above, I wouldn't have considered it necessary for Santander to intervene in any of the payments Mr F made to N. So, even if N were operating a scam, I don't think Santander missed the opportunity to uncover this.

The concerns identified by Mr F became known after he had made all but one of the payments to N. So, even if I considered the payments he made were unusual – which I don't – I would find it unlikely that an intervention by Santander in 2024 would have made a difference.

I have thought about whether Mr F could recover some or all of the money he paid under section 75 of the Consumer Credit Act 1974. As our investigator told Mr F, if he had lost money because of a scam, he could not claim money under section 75 as the scammer wasn't paid directly. So, the requirement for there to be a debtor-creditor-supplier (DCS) agreement in place wouldn't be met.

If, as I believe, Mr F didn't lose money because of a scam, he may meet the DCS requirement, but it seems unlikely that he could provide evidence which shows that N made specific promises within a contract which it then broke. Or that he can supply written evidence that N misrepresented the investment to him which then resulted in a loss to Mr F.

If Mr F has evidence detailing exactly what N promised him as part of the investment opportunity, he can of course approach Santander to make a claim under section 75, subject to any relevant time limits. But as things stand, I don't have enough evidence to demonstrate that Santander is liable to refund any payments Mr F under section 75.

I'm sorry to disappoint Mr F, as I know he has lost a significant amount of money. But I'm not satisfied that I can fairly ask Santander to refund him.

My final decision

My final decision is that I don't uphold Mr F's complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 13 November 2025.

Gemma Bowen
Ombudsman