

The complaint

Mr W complains that Santander UK Plc didn't do enough to protect him from the financial harm caused by an investment scam, or to help him recover the money once he'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.

After searching for investment opportunities online, Mr W was persuaded to invest in bonds and property development through "H", "E" and "P". He understood the returns would be significantly higher than any rate he would get through his bank account and between 23 April 2019 and 6 June 2020, Mr W made six payments to H, E and P from his Santander account totalling £50,950. He began to suspect he'd been scammed when he was unable to withdraw any funds.

Mr W complained to Santander with the assistance of a representative who said it ought to have intervened because the payments were unusual and used funds which were credited to the account shortly before. But Santander refused to refund any of the money stating that he'd authorised the transactions. It said part of the claim pre-dated the Contingent Reimbursement Model ("CRM") Code, and the payments to E and P had been deemed as a civil dispute because there was no evidence that either company was operating as a scam.

Mr W wasn't satisfied and so he complained to this service. His representative said Santander should have asked Mr W what the payments were for, how he heard about the opportunity, what rate of return he'd been promised, and what he knew about the companies, and had it done so the scam would have been uncovered.

But investigator didn't think the complaint should be upheld. He explained that H appeared to be a legitimate business with no adverse information about it online and he explained that even though the investment products weren't regulated by the Financial Conduct Authority (FCA), there was nothing to suggest it was a fraudulent operation at the time of the payments. For the payments to E and P, he said there was no evidence of a scam taking place.

He further explained that even if Santander had intervened, it wouldn't have had concerns given the information that was available at the time.

Mr W has asked for his complaint to be reviewed by an Ombudsman.

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 know Mr W feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

The Contingent Reimbursement Model (“CRM”) Code requires firms to reimburse customers who have been the victims of Authorised Push Payment (‘APP’) scams. But some of the payments pre-dated the CRM Code. And there is no evidence that E and P were operating scams, so the Code doesn’t apply to those payments.

I’m satisfied Mr W ‘authorised’ the payments for the purposes of the of the Payment Services Regulations 2017 (‘the Regulations’), in force at the time. So, although he didn’t intend the money to go to scammers, under the Regulations, and under the terms and conditions of his bank account, Mr W is presumed liable for the loss in the first instance.

Not every complaint referred to us and categorised as an investment scam is in fact a scam. Some cases simply involve high-risk unregulated investments that resulted in disappointing returns or losses. Some of these investments may have been promoted using sales methods that were arguably unethical and/or misleading. However, while customers who lost out may understandably regard such acts or omissions as fraudulent, they do not necessarily meet the high legal threshold or burden of proof for fraud, i.e. dishonestly making a false representation and/or failing to disclose information with the intention of making a gain for himself or of causing loss to another or exposing another to the risk of loss (Fraud Act 2006).

I accept H wasn’t registered with the FCA, but the fact H wasn’t regulated doesn’t mean it was operating illegally. Significantly, H was a genuine company which went into administration on 10 January 2022, there were no warnings on the FCA or IOSCO websites, and I haven’t seen any evidence that there were any negative reviews or anything else negative available online. Similarly, there is no evidence that E or P were operating scams. So, I don’t think Mr W has shown that any of the payments were lost to a scam.

In addition, I agree with our investigator that if Santander had intervened before any of the payments, there would have been no reason for it to suspect Mr W was being scammed, and I don’t think a generic scam warning would have made a difference. So, I’m satisfied he’d have gone ahead with the payments.

Finally, I don’t think there was a realistic prospect of a successful recovery, and I don’t think Mr W is entitled to any compensation.

I’m sorry to hear Mr W has lost money and the effect this has had on him. But for the reasons I’ve explained, I don’t think Santander could have done anything to prevent his loss and so I can’t fairly tell it to do anything further to resolve this complaint.

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 Mr W to accept or reject my decision before 24 January 2026.

Carolyn Bonnell
Ombudsman