

The complaint

Ms F is unhappy that Santander UK Plc hasn't refunded payments she made after falling victim to a purchase scam.

What happened

In summary, Ms F was looking to book a holiday and contacted what she believed was a legitimate company online. Between 14 and 19 February 2024, she authorised 4 payments on her card, for £3,325.50 in total to pay a deposit for it.

Unfortunately, Ms F had been talking to and paid a scammer who was impersonating a legitimate company. She found this out shortly afterwards as she received what she thought was booking confirmation for flights. But when she checked with the airline, she was told that her flights had only been held and that they had been cancelled. Ms F reported what had happened to Santander, who initially recommended she request a refund from the company. Ms F contacted the scammers, who, after receiving new bank details, instead attempted to make further payments, which the bank on this occasion stopped.

Ms F again reported the scam to Santander in March 2024, who on this occasion raised a chargeback claim. Santander then asked for further information from Ms F. It said it didn't receive what it had asked for so closed the claim and now, according to the scheme rules, any claim is out of time.

Ms F also made a scam complaint and said Santander ought to have intervened when she made the payments at the time. Santander replied that again, it needed to see more evidence that a scam did occur and thought Ms F had made the transactions to legitimate companies.

Unhappy, Ms F brought her concerns to our service to investigate. The investigator said he could not recommend Santander provide a refund. He was not persuaded the 4 payments carried a heightened risk of financial harm, enough that he felt Santander ought to have intervened.

The investigator also concluded any chargeback or other attempts at recovery such as a claim under section 75 of the Consumer Credit Act 1974, would have been unsuccessful and any attempts now were out of time or wouldn't have been successful or both.

Ms F and her representatives were not happy with the investigator's outcome and asked that an ombudsman look at her complaint afresh. They made the following points:

- The merchants that received the payments did not provide any services at all, and the payments were intercepted by the scammer.
- The bank should know where payments are coming from and to who are receiving the payments, but it failed to do this.
- Credit card rules state that if you don't receive the goods or service paid, the bank should return the payment losses, but it hasn't done so.

- Payments should be checked by the banks security systems before the payments are released.

As the parties are still in dispute, Ms F's complaint has been passed to me, an ombudsman, 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've reached the same outcome as our investigator for these reasons:

- The starting position in law is that Ms F is responsible for the payments she made. And Santander has a duty to make the payments she tells it to.
- But, as supported by the terms of the account, that doesn't preclude Santander from making fraud checks before making a payment. And, considering regulatory expectations and good industry practice, I'm satisfied that it should fairly and reasonably do this in some circumstances.
- Santander was signed up to a voluntary scam reimbursement scheme, called the Contingent Reimbursement Model (CRM) at the time Ms F made these payments, but the rules associated with this code don't apply here, as she made the payments using a card, something the code doesn't cover. The CRM code applies only to certain authorised push payments from current accounts, not card transactions, so the protection it offers doesn't extend to this situation.
- But, based on what I have said above, I have looked into what happened with these 4 payments to see if Santander did all it ought to do and whether it made any mistakes when this all happened. I've done this because I am satisfied that Ms F was a victim of fraud here, it is clear to me she was in conversation with a scammer, and the 4 payments she made here went into their hands.
- I've looked at what happened when Ms F made the payments. Looking at Ms F's account history, I'm not persuaded the 4 disputed payments appeared so uncharacteristic that Santander ought to have suspected she was falling victim to a scam. They were over the course of a few days; they weren't significant in value; and Ms F had made similarly sized payments previously.
- Given the value of the payments and how they were broadly in keeping with Ms F's spending, and were to recognised merchants, I don't think it's enough to say the payments looked significantly uncharacteristic or risky on this occasion.
- It follows that I don't consider it unreasonable that Santander processed the payments in line with the instructions without completing further checks. After all it must balance protecting Ms F from fraud with its corresponding duty to make the payments she tells it to in a timely manner.
- I can see Santander raised a chargeback claim on or around 29 March 2024 and requested further information from Ms F before submitting this to the scheme operator. It was after finding out more about Ms F not receiving the service she paid for. It said it closed the claim after not receiving the information it requested about this. I don't think it did anything wrong when it did this and can see on this occasion

that it was seeking to obtain the information that it felt was needed for a claim to be considered.

- I'm satisfied Santander followed the relevant scheme process by seeking the required information from Ms F before submission; it couldn't progress the claim without that. I note that this now means that a claim will be unsuccessful as any new claim would be out of time, according to the scheme rules.
- In addition to this, I do agree with what has been said up to now, and that is that the merchants in question have provided the services that it set out to provide. I understand why Ms F would feel that this isn't the case, after all she didn't receive what she felt she was paying for. But the payments were made to merchants that ran a booking platform, who processed and created a booking, so it fulfilled its service and part of the agreement.
- The problem arose because a third party, a scammer, misused that platform and found a way to manipulate it, to take Ms F's money. This means under the card scheme rules and section 75 of the Consumer Credit Act, the bank can recover money, in this instance where the merchant or supplier failed to deliver its own service, something which I don't think it did. So, even if Ms F's claim wasn't out of time, I don't think it would have been successful anyway.

I do appreciate how disappointing my decision will be for Ms F. I am sorry this has happened to her, and I can see she has been the victim of a cruel impersonation scam. But for the reasons I've explained I don't think her losses can be attributed to something Santander did wrong. So, I don't uphold her complaint.

My final decision

For the reasons I've explained, my final decision is that I do not uphold Ms F complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 3 December 2025.

Mark Richardson
Ombudsman