

The complaint

Mr P is complaining that Santander UK Plc hasn't refunded payments that were made from his account when he fell victim to a scam.

What happened

Both parties are familiar with the circumstances of the complaint, so I won't set them out in detail here.

Mr P fell victim to a scam when he was attempting to buy goods from a website which turned out to be a clone of the legitimate merchant's website. The website was showing an error message when Mr P attempted to complete the payment, and he says he didn't realise that two debit card payments made in Japanese Yen had left his account. The payments were to merchants abroad and were for the equivalent of £129.80 and £752.62.

Mr P reported what had happened to Santander. Santander concluded that the payments had been authenticated using one-time passcodes (OTPs) sent to Mr P and so it considered they had been authorised by him, but it submitted chargebacks through the card scheme to try to recover them. However, the chargebacks were successfully defended by the merchants as they provided proof that they had supplied the goods that were paid for.

Mr P complained to Santander, but it didn't uphold his complaint, so he brought his complaint to the Financial Ombudsman Service.

Our Investigator didn't think Mr P's complaint should be upheld. He thought, in summary, that Mr P had authorised the payments and that they wouldn't have looked unusual or out of character, so that Santander ought to have intervened in them.

Mr P replied to our Investigator asking for an Ombudsman's decision. He said, in summary, that he hadn't given informed consent to the payments, because the procedure to make them wasn't clear. He thought Santander had failed to provide information that was clear, fair and not misleading because the texts he'd received including the OTPs for authentication showed the payment amounts in Japanese Yen, so he couldn't reasonably understand the amount he was authorising. He also thought the payments would have appeared unusual to Santander.

Mr P's complaint has now been passed to me for review and a decision.

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'm sorry to disappoint Mr P but I'm not upholding his complaint. I'll explain why.

Mr P has mentioned the Contingent Reimbursement Model (CRM) code which provides customers with protections where they've been victims of an Authorised Push Payment

scam, and which was in place at the time the payments were made here. But debit card payments are not “push” payments, and the CRM code doesn’t apply to them, so I can’t consider Mr P’s complaint with its provisions in mind.

Did Mr P authorise the payments?

The relevant law here is the Payment Services Regulations 2017 – these set out what is needed for a payment to be authorised and who has liability for disputed payments in different situations. With some exceptions, the starting point is that the consumer is responsible for authorised payments and the business is responsible for unauthorised payments. The PSRs specify that authorisation depends on whether the payment transactions were authenticated correctly – and whether Mr P, or someone acting on his behalf, consented to them.

The PSRs go on to specify how consent is given. It must be in the form, and in accordance with the procedure, agreed between Mr P and Santander. I’ve reviewed the terms of Mr P’s account with Santander, but it doesn’t specify exactly how he gives consent to online card payments. But broadly speaking, this is usually through entering the long card number, the card expiry date and CVV into the merchant’s website, and completing any required authentication process.

It seems that Mr P was tricked into sharing his card details through the cloned website, and then the scammer entered his card details into the merchants’ websites to make the payments – so here it seems likely it was the scammer who gave the payment instructions using Mr P’s card details.

The stronger authentication process used here involved Mr P receiving text messages from Santander which included OTPs, which then needed to be entered into a pop-up box generated through the merchant’s website. It appears Mr P was tricked into completing the authentication process by entering the OTPs thinking he was approving the payments to the legitimate merchant. It’s clear from the text messages sent that the OTPs were to confirm payments, and the payment amounts are shown in Japanese Yen.

I appreciate what Mr P has said about the amounts of the payments not being clear to him in the text messages he received including the OTPs because they were displayed in Japanese Yen, but I don’t think it’s unfair or unreasonable that these messages display the amount of the payment in the currency it’s actually being made in, rather than being converted into a different currency. And I would add that under the PSRs, consent doesn’t depend on the consumer knowing the exact details of the payment, such as its purpose or amount. So, I don’t think the fact that Mr P didn’t realise exactly how much he was approving the payments for in the GBP equivalent makes a difference to whether he consented to the payments under the rules.

Overall, I’m satisfied that the payments were correctly authenticated using Mr P’s card information and the stronger authentication process. I think that by completing these steps, Mr P represented to Santander that the payment instructions were genuine. And it was reasonable for Santander to rely on this to process the payments.

I appreciate that Mr P was tricked into taking these steps, but this isn’t a consideration in whether the payments were authorised under the rules. So, it’s reasonable for Santander to treat the payments as having been authorised and as such it isn’t obliged to provide a refund.

Should Santander have recognised the scam and intervened?

When a payment is authorised, Santander has a duty to act on the payment instruction. But in some circumstances (taking into account relevant law, regulators' rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time) it should take a closer look at the circumstances of the payment – for example, if it ought to be alert to a fraud risk, because the transaction is unusual, or looks out of character or suspicious. And if so, it should intervene, for example, by contacting the customer directly, before releasing the payment. I'd expect any intervention to be proportionate to the circumstances of the payment.

But I've also kept in mind that Santander processes high volumes of transactions each day. There is a balance for it to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

The value of the payments here wasn't significant in the scheme of transactions that Santander processes every day, and their value also didn't look particularly out of character for Mr P's account. It looks like he'd made payments in foreign currency before, but even if he hadn't, I wouldn't have expected Santander to have been sufficiently concerned about a scam risk in relation to these payments that it ought to have declined the payments and intervened with a scam warning or by contacting Mr P directly. So, I wouldn't have expected it to have done anything else to prevent the payments from being made.

Could Santander have recovered the payments?

I've considered if Santander could have done more to recover Mr P's payments once he had reported the scam. The payments were made by debit card and so couldn't be recalled or cancelled, even while in a pending state.

It's sometimes possible to dispute a card payment through a process called chargeback, subject to the relevant card scheme's rules. I can see that Santander did raise chargeback claims for the payments here, but they were successfully defended by the merchants because they had provided the goods Mr P's payments had paid for (albeit not, unfortunately, to Mr P). But I don't think Santander couldn't have done anything more than it did to recover the payments here.

Once again, I'm sorry to disappoint Mr P. He's been the victim of a cruel scam, and I can understand why he'd think he should get his money back. But I've concluded the payments were authorised, and I don't think Santander should reasonably have done more to intervene in them. So, it wouldn't be fair or reasonable for me to direct Santander to refund the disputed payments to Mr P.

My final decision

My final decision is that I'm not upholding Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 2 March 2026.

Helen Sutcliffe
Ombudsman