

The complaint

Mr K complains that Santander UK Plc (“Santander”) won’t refund him money, which he believes he has lost to a scam.

What happened

The background to this complaint is well known to all parties, so I won’t repeat it in detail here. But in summary, I understand it to be as follows.

In or around February 2025, Mr K was looking for a roofer to carry out some work on his property. He’d previously used a builder, who I’ll refer to as “D”, for some work and was satisfied with how D had completed the work – so he instructed D to carry out the work.

Between 20-21 February 2025 Mr K paid £4,000 to D (2 payments of £2,000), from the account he holds with Santander.

Mr K has said D started the work, by way of erecting scaffolding and doing some minor work. However, Mr K has said the work wasn’t completed and D has become uncontactable.

Believing he’d fallen victim to a scam, Mr K raised the matter with Santander, but it did not consider it was liable for Mr K’s loss. In summary, this was because it thought what had happened was a civil matter.

Unhappy with Santander’s response, Mr K brought his complaint to this service. One of our Investigators looked into things. But they agreed with Santander, that this was most likely a civil dispute, and so Mr K was not entitled to a refund of the payments he had made.

Mr K didn’t agree with our Investigator’s view, he maintained that what had happened was a scam. As agreement couldn’t be reached, the complaint has been passed to me for a final 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.

Having done so and having thought very carefully about Santander’s actions, I agree with the findings set out by our Investigator. I do appreciate how disappointing this will be for Mr K but, whilst I’m sorry to hear of what’s happened, I don’t think I can fairly hold Santander liable for his loss.

When considering what is fair and reasonable in this case, I’ve thought about the relevant rules that were in place at the time these disputed payments were made. In his submissions, Mr K has mentioned the Contingent Reimbursement Model (CRM Code), however this was no longer in place at the time Mr K made his payments, so it is not a consideration here.

However, from 7 October 2024, Payment Services Providers in the UK, like Santander, have been bound by the Faster Payments Scheme (FPS) and the CHAPS reimbursement rules ("Reimbursement Rules"). Under these rules, most victims of Authorised Push Payment (APP) scams should be reimbursed – but "private civil disputes" are not covered.

I've therefore considered whether what has happened between Mr K and the seller meets the Reimbursement Rules' definition of an APP scam or could more reasonably be classed as a civil dispute. The Reimbursement Rules define an APP Scam as:

"Where a person uses a fraudulent or dishonest act or course of conduct to manipulate, deceive or persuade a consumer into transferring funds from the consumer's relevant account to a relevant account not controlled by the consumer, where:

- The recipient is not who the consumer intended to pay, or*
- The payment is not for the purpose the consumer intended"*

By contrast, a private civil dispute is defined as;

"A dispute between a consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty".

In its published policy statement PS23/3, the Payment Systems Regulator gave further guidance:

"2.6 Civil disputes do not meet our definition of an APP fraud as the customer has not been deceived [...] The law protects consumer rights when purchasing goods and services, including through the Consumer Rights Act."

2.5 provides an example of when this might apply:

"...such as where a customer has paid a legitimate supplier for goods or services but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier."

So, in order to consider what has happened here as an APP scam, I would need to be satisfied that it involves criminal deception. The evidence for this would therefore need to be convincing.

Mr K paid D and I've seen nothing to suggest that this was not who he intended to pay. So, Mr K cannot be said to have paid a recipient he did not intend to pay, as per the definition above.

The allegation of fraud is a serious one. While I can reach my findings on the balance of probabilities (rather than beyond all reasonable doubt for example), to find D did intend to defraud Mr K, I'd need to see convincing evidence to show fraud is the most likely explanation over any other possibility.

Here, the purpose of the payment was to complete work on Mr K's roof. While I appreciate that Mr K has said the work wasn't completed, it's clear that D did attend Mr K's property and it is not in dispute that some work was carried out. So, while I accept all the work hasn't been completed, the evidence doesn't support that D deceived Mr K about the very purpose of the payment.

Alongside this, whilst I can't go into specific details due to data protection reasons, information I've seen from the beneficiary bank (the bank to which the faster payments were made) supports that D didn't have a different intention for the money that was received. I'm aware that there had been no other concerns raised about the activity on the beneficiary account and the beneficiary bank was satisfied that the account was being run legitimately. Typically, if somebody were running a fraud, you'd expect to see other concerns raised – but that isn't the case here.

From what I've seen I understand that the matter was reported to Action Fraud. But as far as I'm aware, there is no ongoing substantive investigation and no criminal charges, related to this matter, have been brought against D. While I'm mindful it isn't necessary for a criminal conviction to have been secured or for charges to have been brought for what happened here to meet the Reimbursement Rules definition of an APP scam - the fact that the relevant authorities appear not to have pursued a substantive investigation into the allegations raised by Mr K suggests to me that the evidence presented does not, on its own, carry sufficient weight to support a finding of fraud.

I acknowledge that Mr K did not ultimately receive all that he had paid for, but there are many reasons, other than fraud, why a trader may fail to meet their commitments. They may act unprofessionally, may get into financial or personal difficulties and work may be completed to a poor standard. But it doesn't automatically follow that this demonstrates an intent to defraud.

Mr K has said the work was delayed due to D being ill and that D had said he had been in hospital. While these may have been excuses and lies, they may also have been legitimate reasons for the delay in the commencement of the works. Though I accept it's frustrating when works don't go to plan. Unfortunately, this is a common feature even in legitimate building arrangements.

Alongside this, Mr K has also pointed to a criminal conviction D has for an unrelated matter and shared details of a social media post where another customer of D's doesn't appear to have had work completed. I don't think a previous conviction D had, particularly one that is seemingly in no way linked to what is disputed, means that future work they agree to complete is necessarily a scam. A business may act unprofessionally but still be carrying out legitimate business, or it may get into financial or personal difficulties that mean it is unable to meet its obligations to customers. And this service isn't in a position to forensically analyse D's actions here; we must consider the evidence that is before us.

I'm also mindful that Mr K had used D's services previously, and was seemingly satisfied, given he instructed D to carry out further work. And I note, from looking at Mr K's account activity, that he has made a number of payments to D, both before and after the disputed transactions. All of this lends itself to D being a legitimate trader who has completed successful work for Mr K previously. So, while I don't doubt other customers may not be satisfied – it doesn't automatically follow that D set out with an intent to defraud Mr K.

I know this will be a huge disappointment to Mr K, and I appreciate how strongly he feels about this case. But for the reasons I've explained above, I do not consider that it was unreasonable for Santander to decline Mr K's claim when considering the Reimbursement Rules, and I find no other reasons upon which it would be fair to ask Santander to refund Mr K the money he lost.

My final decision

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 K to accept or reject my decision before 13 April 2026.

Stephen Wise
Ombudsman