

The complaint

Miss I is being represented by a claims manager. She's complaining about Santander UK Plc because it declined to refund money she lost as a result of fraud.

What happened

Sadly, Miss I fell victim to a cruel job scam. After someone claiming to be a recruiter contacted her online, she was introduced to an employment opportunity with a scam company that required her to leave online reviews. The work came in sets of tasks that she was required to pay to access in cryptocurrency and for which she expected to be paid commission on completion. Miss I was set up with an account on a fake website that appeared to be recording the work she was doing and the commission she was accruing. In August 2024, Miss I used her Santander account to make the following transfers:

No.	Date	Amount £
1	9 August	96
2	10 August	550
3	10 August	850
4	10 August	870
5	11 August	834
6	11 August	834
7	11 August	834
8	17 August	1,825
9	17 August	1,825
10	17 August	1,825
11	17 August	1,825
12	17 August	80
13	22 August	1,775
14	22 August	1,775
15	22 August	1,775
16	22 August	1,775
17	22 August	1,775
18	22 August	1,200
19	22 August	3,800
20	23 August	3,800
21	23 August	3,800
22	23 August	100
23	23 August	150

The payments went to a cryptocurrency account in Miss I's own name via a third-party payment processor. Miss I received a return of £236.72 on 9 August, but I understand the rest of the money was lost to the scam.

My provisional decision

After the complaint was referred to me, I issued my provisional decision setting out why I thought it should be partly upheld. My reasons were as follows:

There's no dispute that Miss I authorised these payments. In broad terms, the starting position at law is that a bank is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, 'authorised' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

This is confirmed in the judgement in the case of Phillip that considered the nature and extent of the contractual duties owed by banks to their customers when making payments. Among other things, it said, in summary:

- The starting position is that it is an implied term of any current account contract that, where a customer has authorised and instructed a bank to make a payment, it must carry out the instruction promptly. It is not for the bank to concern itself with the wisdom or risk of its customer's payment decisions.*
- At paragraph 114 of the judgment the court noted that express terms of the current account contract may modify or alter that position. In Philipp, the contract permitted Barclays not to follow its consumer's instructions where it reasonably believed the payment instruction was the result of APP fraud; but the court said having the right to decline to carry out an instruction was not the same as being under a legal duty to do so.*

So I don't believe there's anything in the judgement that prevented Santander from delaying or blocking payments, or otherwise intervening in the payment process to protect its customers from fraud and it's my understanding that the bank has processes in place for this purpose.

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, I consider it fair and reasonable that 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. This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;*
- 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, enabled it to do so;*
- 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;*
- have been mindful of – among other things – common scam scenarios, how fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.*

Taking these points into account, I need to decide whether Santander acted fairly and reasonably in its dealings with Miss I.

Should Santander have recognised that Miss I was at risk of financial harm from fraud?

I must take into account that many similar payment instructions Santander receives will be entirely legitimate and I also need to consider its responsibility to make payments promptly.

Having considered what Santander knew about payments 1 to 10 at the time, I'm not persuaded it ought to have been particularly concerned. As it's pointed out, it wouldn't necessarily have known the money was going to cryptocurrency. Further, the amounts involved were relatively low and were spread over a number of days. So I can't reasonably say Santander was at fault for making these payments in line with Miss I's instructions.

By the time of payment 11, however, I find that Santander should have identified Miss I may be at risk of harm from fraud. This was her fourth payment for the same amount to the same account on the same day with a combined total of over £7,000. And when considered in the context of the payments she'd made to the same account in the previous few days, I think a pattern consistent with many types of known scam had begun to emerge.

What did Santander do to warn Miss I?

Santander has said that none of the payments were flagged as suspicious and there's no evidence of relevant scam warnings being provided or any other intervention by the bank.

What kind of warning should Santander have provided before payment 11?

Having thought carefully about the risk this payment presented, I think a proportionate response to that risk would have been for Santander to have attempted to establish the circumstances surrounding the payment before allowing it to leave Miss's account. I think it should have done this by, for example, speaking to her on the phone to discuss the payment further.

If Santander had intervened as I've described, would that have prevented the losses Miss I suffered from payment 11?

From Miss I's account and the history of her chats with the scammer provided, I've seen nothing to suggest she was coached in how she should respond to the bank if asked about the payments or given a cover story to tell. I also believe she thought this was a genuine employment opportunity and, on balance, I think it's likely she'd have explained the purpose of the payment to one of Santander's agents if she'd been asked this.

Once an agent knew Miss I was paying money in cryptocurrency to access online work, I think they should have identified this was almost certainly a scam and explained that to her. In these circumstances, Santander should have provided a tailored warning setting out some common features of job scams, for example that victims are often contacted online by someone they've never met, asked to complete sets of tasks for which they pay to access in advance in cryptocurrency, set up with

accounts on fake websites, and then asked to pay more and more to access tasks before they receive the commission promised.

If Miss I had received this type of warning, I think she'd have recognised many of these features in her own situation. And, on balance, I think the most likely outcome is that her eyes would have been opened to the scam and she'd have decided not to go ahead with the payment.

I think it follows that if the scam had been uncovered at the point of payment 11, payments 12 to 23 would also have been prevented.

Is it fair and reasonable for Santander to be held responsible for Miss I's loss?

I have taken into account that Miss I remained in control of her money after making the payments from Santander. It wasn't lost until she took further steps. But Santander should still have recognised that she was at risk of financial harm from fraud, made further enquiries about payment 11 and ultimately prevented her loss from that point. I think it can fairly be held responsible for any loss in these circumstances.

While I have considered all of the facts of the case, including the role of other financial institutions involved, Miss I has chosen not to pursue a complaint about any other business and I can't compel her to do so. Further, I don't think it would be fair to reduce her compensation because she's only complained about one business, as I consider that Santander should have prevented the loss.

Should Miss I bear any responsibility for her losses?

I've considered the evidence carefully to decide what's fair and reasonable in the circumstances of this case. While I accept Miss I genuinely believed these payments were being made in connection with a legitimate employment opportunity, I'm not persuaded that belief was a reasonable one.

I've seen nothing to indicate there was any formalisation of the arrangement between Miss I and the 'employer' – for example a written contract or clear setting out of the terms of employment. I also think the amount of money it was suggested she could earn for only 30 to 60 minutes work per day was extremely high and that she should have considered this could be too good to be true. In addition, the arrangement was very different to the normal employer-employee relationship. People normally expect to be paid by their employer, rather than the other way around. I think it's clear from the history of Miss I's chats with the scammer that she was concerned about being asked to pay more and more money.

In the circumstances, I think Miss I should have proceeded with great caution. If she'd carried out any further research, for example online searches, I think she'd have quickly discovered her circumstances were similar to those commonly associated with many job scams. Overall, I think it's fair and reasonable for Santander to make a 50% deduction from the redress payable.

Recovery of funds

I've also looked at whether Santander could or should have done more to try and recover Miss I's losses once it was aware that the payments were the result of fraud.

I understand Miss I first notified told Santander about the scam several days after the last payment. It's a common feature of this type of scam that the fraudster will move money very quickly to other accounts once received to frustrate any attempted recovery and I don't think anything Santander could have done differently would likely to have led to her money being recovered successfully after this period of time.

In any event, Miss I transferred funds to a legitimate cryptocurrency account in her own name. From there, she purchased cryptocurrency and moved it onto a wallet address of her choosing (albeit on the scammers' instructions). Santander could only try to recover money from her own account and it appears all the money had already been moved on. If not, anything that was left would still have been available for her to access.

In conclusion

For the reasons I've explained, I don't think Santander acted fairly and reasonably in its dealings with Miss I and I'm proposing to uphold this complaint in part. While I don't think it acted incorrectly in processing payments 1 to 10 in line with her instructions, if it had carried out an appropriate intervention before payment 11 left her account, I'm satisfied payments 11 to 23 would have been prevented.

The responses to my provisional decision

Miss I's representative contacted us to confirm her acceptance of my provisional decision. Santander didn't accept it, essentially saying it's not fair to hold it responsible when it made payments to a legitimate account in Miss I's own name and her money was lost as a result of actions taken after this.

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, my findings haven't changed from those I set out previously. I haven't necessarily commented on every single point raised. I've concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

I appreciate the fraud didn't directly occur on Santander's platform. But in line with its responsibility to take appropriate steps to protect its customer's money, the bank should nonetheless have been aware of common scam scenarios and evolving trends, including the increase in multi-stage fraud that involves money passing through more than one account under the consumer's control before being sent to scammers. With this in mind, I think it's fair to conclude that Santander should have identified Miss I may be at risk of harm from fraud when she instructed payment 11 and taken appropriate steps to intervene at this stage.

As explained previously, I have taken into account that Miss I remained in control of her money after making the payments. But given my view that Santander should still have recognised she was at risk of harm from fraud and made further enquiries about payment 11 and that any further loss from that point would likely have been prevented if it had done so, I think it can fairly be held responsible for that loss. While Santander may feel other parties are also responsible, Miss I has chosen not to pursue a complaint against any other

business and I can't compel her to do so. In circumstances where I consider Santander should have taken action that would have prevented the loss, I don't think it would be fair to reduce her compensation because she's only complained about one business.

Putting things right

The principal aim of any award I make must be to return Miss I to the position she'd now be in but for the errors or inappropriate actions of Santander, while allowing for any responsibility she should reasonably bear. If Santander had carried out an appropriate intervention as I've described, I'm satisfied the scam would have been stopped and Miss I would have retained the money that was lost from payment 11 onwards. As outlined above, I've applied a 50% deduction to the amounts to be refunded in recognition of her own contribution towards the loss.

I can also see that Miss I received money back from the scammers on 9 August that she understood to have been a payment in return on the work she'd completed. I've noted Santander's comments on this point, but this payment was part of the overall scam and in this case I think it should be deducted from the amount lost by apportioning it proportionately across all of the payments made to the scam. This ensures the credit is fairly distributed.

To put things right Santander should pay Miss I compensation of $E + F$, where:

- A = the total of payments 1 to 23, representing the total of the payments to the scam;
- B = £236.72, representing the amount returned to her;
- $C = A - B$, representing the total loss to the scam;
- D = C divided by A as a percentage, representing the proportion of A that was lost to the scam;
- E = a refund of half of the percentage in D of each of payments 11 to 23, representing a 50% refund of the proportion of these payments that were lost to the scam; and
- F = simple interest on each amount being refunded in E at 8% per year from the date of the corresponding payment to the date compensation is paid.

Interest is intended to compensate Miss I for the period she was unable to use this money. HM Revenue & Customs (HMRC) requires Santander to deduct tax from any interest. It must provide Miss I with a certificate showing how much tax has been deducted if she asks for one.

I'm satisfied this represents a fair and reasonable settlement of this complaint.

My final decision

My final decision is that I partly uphold this complaint. Subject to Miss I's acceptance, Santander UK Plc should now put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss I to accept or reject my decision before 27 November 2025.

James Biles

Ombudsman