

The complaint

Mr S has complained that Santander UK Plc (“Santander”) failed to refund the money he lost as part of an investment scam.

What happened

The details of this complaint are well known to both parties, so I will not repeat everything again here. Instead, I will focus on giving the reasons for my decision.

In summary though, Mr S was phoned by a scammer who pretended to be a member of staff at Santander. They provided Mr S with some security details that persuaded Mr S that his account was at risk and that he had to move his funds to a different account to keep his funds safe.

Mr S then made 4 transactions, one to his partner and three to an account that he held with a different provider. These transactions totalled £53,900. Mr S then transferred the money on to the scammer from those accounts.

Santander did stop some of the payments to find out what they were for. The scammer had prepared for this and told Mr S what to say, to avoid the payments being stopped.

Mr S realised he had been scammed shortly thereafter. Mr S asked Santander to refund the money he lost during the scam, as he believes Santander should have done more to prevent him from being scammed in the first place. Santander did not agree with this.

I issued a provisional decision on 14 October 2025 in which I said the following;

“I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

In deciding what’s fair and reasonable, I am required to take into account relevant law and regulations, regulators’ rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, on what I consider is more likely to have (or would have) happened, in light of the available evidence and the wider circumstances.

In broad terms, the starting position is that Santander is expected to process payments and withdrawals that a customer authorises it to make. This should be in accordance with the Payment Services Regulations and the terms and conditions of the customer’s account.

However, taking into account relevant law, regulatory 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 (among other things). 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 – (as in practice Santander sometimes does); and
- have been mindful of – among other things – common scam scenarios, how the 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.

Santander did intervene during the transactions and asked questions about the payments. Mr S, whilst being prompted by the scammer, provided believable answers as to why he was making the transactions. He said he was looking to purchase a car in Spain. I also note that Santander did highlight that if he was being asked to mislead Santander or being told to move money that he was likely being scammed. That said, I think that further questions should have been asked by Santander.

But given that Santander was only required to take proportionate steps to try and protect Mr S from financial harm and given that the scammer was providing the answers to Mr S to ensure the payments went through, I'm not persuaded Mr S would've shared anything concerning with Santander, even if it had questioned him more about what he was doing. So overall, I think that Santander should've asked more questions than it did. But I do not think that this would have likely stopped or uncovered the scam.

I should add that I understand why Mr S misled Santander and it is clear that the scammer was very persuasive and obviously knew what Santander were likely to ask, if payments were stopped. But I can only ask Santander to refund the funds that were lost if a proportional intervention would have stopped the scam and currently, I don't think that it would've.

I've also thought about whether Santander could have done more to recover the funds after Mr S reported the fraud.

Santander are under no obligation to refund the money under the Contingent Reimbursement Model (CRM) Code. This is because the funds were sent to an account that Mr S controlled.

I appreciate this will likely come as a disappointment to Mr S, and I'm sorry to hear he has been the victim of a cruel scam. However, whilst I have a great deal of sympathy for the situation that Mr S found himself in, I'm currently not persuaded that Santander can fairly or reasonably be held liable for his loss in these circumstances."

Santander did not add any further points in response to my provisional decision. Mr S did respond and said the following in summary:

- He does not agree that Santander asking more detailed questions would not have stopped the scam.
- If Santander had provided a more detailed warning it would have stopped the scam.
- That the previous proposal by the investigator was more acceptable in that all three parties shared liability for the loss that Mr S suffered.

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 have reconsidered this complaint and have taken into account all of the additional points that Mr S has raised.

That said, I still am unable to say that a proportionate intervention from Santander would have likely stopped the scam. Mr S had been heavily coached by the scammer and the scammer clearly knew the kind of questions that Mr S would be asked. So had more detailed questions been asked I think that Mr S would have been able - with the help of the scammer - to provide answers that Santander would have found acceptable.

I understand and agree that Santander should have asked more questions than it did. But this would only mean that Santander should be liable for a proportion of Mr S's losses if I believe that, had it done so, the scam would have been stopped. In this particular case, I don't think that it would have for the above reasons.

In relation to providing a more detailed warning, Santander specifically said that if anyone was asking him to move funds then it was likely a scam. And despite this, Mr S said during his interactions with Santander, that he had not been told his account was not safe. In the circumstances, I can't see why Santander would have felt the need to provide a more detailed warning about safe account scams, given that it was unaware that someone had in fact told Mr S that his account was unsafe.

Additionally, Mr S said that the scammer had already explained that he was more senior to the normal fraud team. So I don't think a more detailed fraud warning would have stopped the scam, as I think that the scammer would have been able to persuade Mr S that what he was doing was genuine.

It follows then that, although I have a great deal of sympathy with the situation that Mr S was in and that he has been the victim of a cruel scam, I am unable to uphold this complaint.

My final decision

For the reasons given above, and in my provisional decision, I do not uphold this complaint.

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

Charlie Newton
Ombudsman