

The complaint

Mrs B, who is represented, complains that Santander UK Plc won't reimburse a loss she suffered from fraud.

What happened

As the circumstances of this complaint are well-known to both parties, I have summarised them briefly below.

In or around July 2024, Mrs B saw an advert online for an investment opportunity being offered. The investment involved the trading of crypto assets and claimed to achieve enticing returns.

After filling out an expression of interest, Mrs B received contact from an individual, claiming to be a representative of a business I will refer to as Business C. Mrs B was apprised of the investment and instructed on where to make payments toward it.

Happy to proceed, between 1 July 2024 and 4 September 2024 Mrs B made seven payments to a third-party business, which I will refer to as Business M. She was told that Business M would convert her funds to crypto assets and make payment to the crypto wallet Business C had provided.

Mrs B was then instructed to make one final payment to a third-party account she'd not paid previously. Mrs B went ahead with this payment on 20 September 2024.

Mrs B later discovered that she'd been the victim of an investment fraud, and so she raised a claim with Santander. After looking into that claim, Santander decided not to reimburse Mrs B's loss.

It considered her claim against the voluntary Contingent Reimbursement Model (the CRM Code) which it was a signatory of at the time the payments were made. But it found that an exception to reimbursement could be relied upon—namely that Mrs B made the payments without a reasonable basis for believing they were for a legitimate purpose. It also found that it provided proportionate and effective warnings as part of the payment process.

Mrs B disagreed with that assessment, and so she referred her complaint to our service—with the assistance of a professional representative—for an independent review. An Investigator considered the complaint and found Santander ought to have partially reimbursed Mrs B's loss.

Santander disagreed with that assessment. While it agreed that it ought to have done more to protect Mrs B on some of the payments she made, it argued that Mrs B ought to have shared liability for her loss on all payments made.

As Santander disagreed with the Investigator's assessment and recommendations, the complaint was passed to me to decide.

On 16 October 2025, I issued my provisional to both parties, as I intended on reaching a

different outcome to that of the Investigator. Those provisional findings were as follows:

“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 in all the circumstances of a complaint, I’m required to take into account relevant: law and regulations; regulators’ rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

There is no dispute here that Mrs B authorised the transactions in question. And the starting position in law is that Mrs B will be held liable for transactions she authorised in the first instance. That is due to Santander’s primary obligation to process payments in line with its customer’s instructions, as set out in the Payment Services Regulations 2017.

However, Santander was a signatory of the CRM Code at the time the payments subject to this dispute were made. And it had considered Mrs B’s claim against the principles of that Code. But when considering the circumstances of this complaint, I find that most of the payments made aren’t covered by that Code.

The Code only covers payments that were made where:

“The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.”

The payments that were made to Business M between 1 July and 4 September 2024 were for the purchase of crypto assets that, upon conversion, were then sent by Business M to a wallet that was controlled by the fraudsters.

I do have suspicions about Business M’s role in this fraud. While on the face of it it appears to be a legitimate business, messages between Mrs B and the fraudster indicate that they had knowledge of the inner affairs of Business M at the time.

However, I cannot ignore the evidence to the contrary. Business M is a registered business in the UK that is still in operation. And its account provider—where Mrs B sent her funds to—appears to have successfully defended the fraud claim by investigating Business M’s entitlement to those funds. On balance, this would indicate that Business M did carry out the instructions Mrs B had asked it to independent of the fraudster.

So, while there are unanswered questions regarding Business M’s role here, the evidence would indicate that at the point Mrs B sent it her funds, they were processed as requested and sent on to the wallet address provided by the fraudster. Therefore, the payments to Business M can’t be considered under the CRM Code, as they were payments for legitimate crypto assets that were then sent on to the fraudster: otherwise known as peer-to-peer crypto payments.

However, no such evidence can be relied upon for the final payment made. This payment was made to an individual’s account, and no defence was presented by the receiving account when the fraud claim was raised. I therefore find that the final payment made is covered by the CRM Code.

While there are separate considerations to be made here, I find that it is suitable and pragmatic to deal with the transactions in their entirety. I’ll explain why.

While the first seven payments aren’t covered by the Code, Santander ought reasonably to

have been on the lookout for any transactions that would indicate Mrs B was at risk of financial harm. And where it identifies a risk, it ought reasonably and proportionately to intervene in those payments, with an aim to eliminate the possibility Mrs B was at risk.

Our Investigator has found that the first transaction made from Mrs B's account was suspicious and out of character when considering it against her usual account activity. Having reviewed her prior account history, I concur with that assessment.

It wasn't typical for Mrs B to make high-value transactions from her account to new payees. She did make regular high value payments via Direct Debit and occasionally to existing, trusted payees. But her account's primary usage appears to be for regular day-to-day expenditure, which consisted of mainly low value card and bill payments. I therefore find that the payment stood out and carried several risk indicators of fraud.

Additional to this, while setting up the new payee and payment, Mrs B informed Santander that she was making the payment for a crypto investment. Payments associated with crypto investments were well-known at the time of making these payments to have carried a greater risk of fraud. So this ought to have been taken into consideration when Santander was processing the payment.

Overall, I'm satisfied that there were sufficient risk indicators here that a proportionate response ought reasonably to have been to make contact with Mrs B prior to releasing the payment. And that contact should have been for the purpose of ruling out the possibility of fraud and warning Mrs B against crypto investment frauds.

Had Santander contacted Mrs B and asked appropriate questions about the investment she was undertaking, there is no indication here that Mrs B would have been dishonest about the circumstances to which she found herself in. And as this was the first payment Mrs B was making toward the investment, she wasn't entrenched in, or entirely committed to, the fraud at that point.

Had Santander uncovered the circumstances to which Mrs B found herself in, I think it would have been obvious that she was being defrauded. Mrs B was inexperienced in such matters and knew little information about the businesses to which she was corresponding with. Nor did she know the specifics surrounding how her money was being 'invested'. Mrs B had also found the investment via an advertisement online, where a celebrity was purportedly endorsing it. It was also clear that she was sending money on to a wallet that she was not in control of; both circumstances being a distinct indication she was likely the victim of fraud.

Due to the above, I find it likely that had Santander pointed out that Mrs B was likely the victim of an investment fraud, and had highlighted that her circumstances were synonymous with the modus operandi of such crimes, Mrs B likely wouldn't have proceeded with the payments. It therefore follows that Santander ought reasonably to be held liable for her loss.

I've also thought about Mrs B's liability here and have considered what the law says about contributory negligence. Having done so, I do find that Mrs B ought reasonably to be held equally liable for her loss for all the payments that have been made.

Mrs B, by her own admission, was not an experienced investor. And her representative has relied on this point when arguing why Mrs B should not bear any liability for her loss. But it is due to her lack of experience that I find Mrs B ought to have proceeded with additional caution when dealing with Business C and the investment opportunity.

It's reasonable to point out here that a lack of knowledge or understanding of something—especially when that involves parting with significant sums of money—ought to have

prompted Mrs B to conduct proportionate research. This would be for the aim of satisfying herself that the company she was dealing with, and the investment proposition she was presented with, were realistic and legitimate.

Having listened to the call that Mrs B had with Santander when investigating her claim, Mrs B admitted that she'd carried out little to no research on either the business or the investment itself. Had Mrs B carried out research, I find it likely she would have discovered that the claims being made by the business were not only baseless—as we've seen no evidence Mrs B was told how these profits were to be made—but unrealistic in terms of the returns she was being promised.

Mrs B was contacted by the fraudsters after submitting an online expression of interest form, and was effectively cold called by a third-party who had not provided any persuasive evidence that they were from a legitimate enterprise with any prior history of achieving positive investment outcomes.

Mrs B was also told to make payments to a third-party business not associated with Business C. And she was told to make payments to a wallet she'd neither set up, nor ever had control of.

While I understand why Mrs B took the explanations given by the third-party at face value, she ought to have delved deeper into the claims being made and the person/business she was corresponding with. It is clear Mrs B hastily put her trust into the fraudster and believed that the knowledge they possessed, and the professional looking website and online portal she was given access to, made it appear legitimate. But there were avenues which Mrs B ought reasonably to have taken to ensure this belief was supported by evidence.

I also find that as the fraud progressed, Mrs B's caution ought to have been raised by some of the behaviour the fraudster was displaying. Examples of this are encouragement to fund further payments with loans and the fact that she'd never withdrawn any of the substantial profits she'd purportedly made on the online portal before continuing with further payments.

I acknowledge that Mrs B is the victim of a cruel fraud here. And my above assessment is by no means intended to blame her for the crime she has unfortunately been victim to. My intention is to set out that in circumstances where a person has not sufficiently protected themselves, or has been naive to substantive red-flags, then it is reasonable—when looking at what the law says about contributory negligence—to hold them equally liable for their loss.

For these reasons, I find it reasonable that Mrs B be held equally liable for her loss here."

Both parties were given until 30 October 2025 to provide any additional comment or evidence before issuing my final decision.

Mrs B's representative responded to my provisional assessment accepting the findings reached. But Santander disagreed with the assessment, broadly citing the same reasons it had disagreed with the Investigator's view.

As both parties have now had an opportunity to respond, I am able to issue my 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.

Santander's pushback doesn't seem to specifically address the points I have made in my provisional decision. It has argued that it should only be responsible for reimbursing 50% of the final three payments, but has not addressed why it doesn't find that it ought to have intervened from the first payment made. Nor has it made any persuasive argument against why that early intervention would not have resulted in the fraud being uncovered and prevented.

It has also made reference to loans Mrs B had paid into her account, and has commented that it is not for Santander to question the purpose of those loans. It has also pointed out that it is common for such loans to be paid into an account and then immediately exit. I have not made any reference to loans in my decision, so I am unsure why Santander seeks to rely on this argument. As Santander ought to have intervened at an early stage and likely could have prevented the fraud, it ought reasonably to be held liable for all subsequent payments made, irrespective of how they were funded.

Lastly, Santander has pointed out that Mrs B ought to have carried out sufficient due diligence to ensure she was dealing with a legitimate investment. My provisional findings have agreed with Santander on this point, hence why a 50% deduction has been made from the total reimbursement to reflect Mrs B's negligence here. So there is no disagreement on this point.

Overall, as Santander has presented no additional comment or evidence specifically relating to the findings I have set out in my provisional decision, I don't intend to depart from those findings.

Putting things right

Santander should now reimburse Mrs B 50% of the total payments she made. It should also pay interest at 8% simple per annum on those reimbursements; from the date they were made to the date of settlement. That's to reflect the deprivation of those funds from the point at which Santander ought to have intervened and prevented the fraud.

My final decision

For the reasons I have given above, I uphold this complaint and direct Santander UK Plc to:

1. Reimburse Mrs B £23,250 – calculated as 50% of her total loss.
2. Pay 8% simple annual interest on those reimbursements from the date the payments were made to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 28 November 2025.

Stephen Westlake
Ombudsman