

## The complaint

Mr R is complaining about Santander UK Plc because it declined to refund money he lost as a result of fraud.

## What happened

Sadly, Mr R fell victim to a cruel investment scam after seeing an online advert that appeared to be endorsed by a well-known celebrity. He made an initial 'investment' using a card with another bank. He was then contacted by a scammer posing as an adviser who encouraged him to invest more.

As part of the scam, Mr R was advised to open accounts with an Electronic Money Institution (EMI) and a cryptocurrency exchange in his own name. And in May and June 2025 he used his Santander account to transfer the following amounts to his EMI account:

No.	Date	Amount £
1	16 May	50
2	17 May	500
3	19 May	500
4	26 May	2,500
5	29 May	4,900
6	4 June	14,500
7	10 June	14,500

Then most of this money was transferred to the cryptocurrency exchange from where it seems the currency purchased was transferred to the scammers. The last two payments were funded by personal loans taken by Mr R and paid into his Santander account.

Mr R has been clear that only the first two of these payments were for investment purposes. He says the rest were '*verification fees*' that he was told he needed to pay to access his money. By way of example, Mr R has provided a copy of a message telling him he needed to pay taxes totalling £15,600 after which £54,600 would be returned to his cryptocurrency account.

Our investigator didn't recommend the complaint be upheld. He was satisfied Santander took appropriate steps to question the payments and that based on the answers Mr R gave, it was entitled to believe they were legitimate.

Mr R didn't accept the investigator's assessment. He's explained that he was manipulated by the scammers to provide inaccurate information about the payments to the bank and believed he'd lose his money if he didn't go along with this. He also says that as the later payments were for fees, he wasn't wrong to say they weren't for investment purposes. He also believes the bank should have told him that scammers often ask for '*verification fees*' and that the scam would have been uncovered if it had done so.

The complaint has now been referred to me for review.

Mr R has also made complaints about the card provider he used to make the initial payment and the EMI he transferred money to from Santander. I've addressed these concerns in separate decisions. He's also complained about a lender from which he borrowed money to fund the scam and a credit reference agency and these are being considered by my colleagues.

### **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, I've reached the same overall conclusions as the investigator. Mr R has made extensive submissions but I haven't necessarily commented on every single point raised, instead concentrating 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.

After reviewing the evidence provided across all of his complaints, including his communications with the scammers, I think it's clear that Mr R has been the victim of a scam and that these payments were lost to the fake investment scheme.

There's no dispute that Mr R 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.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Santander also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

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

#### *The payments*

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 3 at the time, I'm not persuaded it ought to have been concerned about them. At this time, a pattern of rapid and increasing payments to a new payee consistent with many known types of scam hadn't begun to emerge. Further, the amounts involved were relatively low and the payments were going to an account in his own name with a regulated EMI. So I don't find that there were

sufficient grounds for Santander to think Mr R was at risk of harm from fraud and I can't reasonably say it was at fault for processing the payment in line with his instructions.

However, payment 4 was the fourth payment in a relatively short space of time and was for a much larger amount and it was at this point that Santander recognised Mr R may be at risk of harm from fraud. As a result it required him to speak to one of its agents over the phone.

I've listened to a recording of this call and I'm satisfied the agent asked appropriate questions about the payment in an attempt to establish whether it was legitimate. Despite warnings about the importance of answering its questions truthfully and that other customers have lost money to scams after being told not to be honest, Mr R didn't provide accurate information. He said he was transferring money to the EMI account because he and his family would shortly be travelling, even telling the agent which country they'd be travelling to and when they were due to leave. He also said he'd had the EMI account for two years when he'd actually opened it less than two weeks earlier.

On balance, I think this explanation would reasonably have seemed plausible to the bank's agent. Nonetheless, they did specifically ask Mr R whether he'd be investing in cryptocurrency or stocks and shares and whether anyone else was instructing him to make the payment. He confirmed this wasn't the case and that he wasn't being guided or forced to make the payment.

The success of any fraud intervention by a bank is dependent to some extent on the customer providing accurate information about the payment being made. If Mr R had explained that the payment was a fee to access money he'd invested, I'd have expected the bank's agent to have identified it was likely to be a scam and told him as much. While I understand the reasons Mr R has said he hid the real purpose of the payment, I think it's clear this severely hindered the bank's ability to identify that he was falling victim to a scam.

Based on the information it received, I'm satisfied Santander took reasonable steps to question the payment and provide appropriate warnings about scams. As Mr R didn't reveal what the payment was for, and there was no way the bank's agent could have known that was what was really going on, I wouldn't have expected them to have told him about all aspects of investment scams, including that victims may be told to pay fees and taxes to access their money.

As the series of payments continued, the bank required Mr R to speak to one of its agents again in connection with payment 6. This time, he told the agent he'd taken a loan to pay for home improvements and explained the work that was being done in some detail. He explained that he was in the process of finalising arrangements and was moving the money to his EMI account so he could earn a higher rate of interest before he needed to pay contractors for this work.

Again, I think this explanation would reasonably have sounded plausible to the bank's agent and that they were reasonably entitled to believe the payment was legitimate and allow it to proceed.

Overall, I'm persuaded the action Santander took in relation to payments 4 and 7 was proportionate to the associated risks and I wouldn't have expected it to have intervened further in these circumstances. So I can't say it was at fault for processing these payments in accordance with Mr R's instructions.

Santander didn't intervene in the same way in connection with payment 5 and 6. But I've no reason to think further questioning of these payments would have been any more successful in uncovering their real purpose. In saying this, I'm conscious the EMI also spoke to Mr R

about two of the transfers he made to the cryptocurrency exchange and he was equally unclear about the circumstances in which the payments were being made.

I want to be clear that it's not my intention to suggest Mr R is to blame for what happened in any way. He fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why he acted in the way he did. But my role is to consider the actions of Santander and, having done so, I'm not persuaded these were the cause of his losses.

#### *Recovery of funds*

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

These payments aren't covered by the industry's reimbursement scheme for authorised push payment (APP) fraud as they went to another account in Mr R's own name. And in terms of recovery, the bank could only request this money be returned by the EMI. But by the time the scam was reported, the money had already been moved on and anything that was left would still have been available for him to access.

In the circumstances, I don't think anything Santander could have done differently would likely have led to these payments being successfully recovered.

#### *In conclusion*

I recognise Mr R has been the victim of a cruel scam and I'm sorry he lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I think Santander acted fairly and reasonably in its dealings with him and I won't be telling it to make any refund.

#### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 5 February 2026.

James Biles  
**Ombudsman**