

## The complaint

Ms B and Mr G complain that Santander UK Plc ('Santander') won't refund the money they say was lost as the result of a scam.

## What happened

Since 2009, Ms B and Mr G had been signed up to a newsletter with an introducer I'll refer to as I.

In one of the newsletters, there was information about an investment with a company I'll refer to as J. J was offering an investment with a return of 2% per month, which Ms B and Mr G believed was FCA regulated. There was a separate introducer involved with this investment who I'll refer to as K.

These are the payments Ms B and Mr G made from their Santander account to J, as well as the returns they received.

Date	Details of transaction	Amount
14.3.2019	Payment to J	£10,000
26.4.2019	Payment to J	£20,000
27.4.2019	Payment to J	£15,000
29.4.2019	Payment to J	£10,000
24.6.2019	Returns from J	£4,616 cr
21.8.2019	Payment to J	£20,000
22.8.2019	Payment to J	£10,000
17.9.2019	Payment to J	£20,000
20.9.2019	Returns from J	£7,737.84 cr
24.12.2019	Payment to J	£4,407.50
21.1.2020	Payment to J	£12,500
21.1.2020	Payment to J	£2,000
11.3.2020	Payment to J	£4,000
21.3.2020	Returns from J	£8,998 cr

In May 2021, the police advised investors that the director of J had been arrested and interviewed for offences of Fraud by False Representation. In March 2022 the police confirmed that "the evidence obtained does not support a realistic prospect of conviction". In July 2023, J dissolved.

Ms B and Mr G raised a fraud claim with Santander in 2024, using a professional representative. Santander said they didn't have enough information to proceed with the claim and requested further information. As Ms B and Mr G didn't get an answer from Santander, they brought a complaint to our service.

An investigator looked into Ms B and Mr G's complaint but didn't uphold it. The investigator wasn't satisfied there was sufficient evidence that Ms B and Mr G had suffered their loss as the result of a scam.

Ms B and Mr G didn't agree with the investigator's opinion saying Santander could've prevented their loss if they had intervened. Ms B and Mr G have a separate complaint relating to an investment made in 2018, also using K as the introducer. They say had Santander intervened on that earlier investment, they wouldn't have trusted K and wouldn't made the investment with J.

As the case couldn't be resolved informally, it has been passed to me to review.

### **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.

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 there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in light of the available evidence.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account. It's not in dispute that Ms B and Mr G authorised these payments, although they did so not realising they would suffer a financial loss.

Based on the information available, I'm not satisfied that Ms B and Mr G have shown they suffered their loss as the result of a scam. I say this based on the update from the police in March 2022, which said:

- Prosecution against the director of J didn't have a reasonable prospect of conviction.
- While the director of J may've misled investors, that didn't provide sufficient evidence to support an allegation of fraud.
- And, while J may've acted unscrupulously using a bad and inconsistent business model, it appeared he had been making trades and expected to make repayments to clients.

So, the evidence supports that it's more likely than not J was a failed investment, as opposed to being a scam where the funds were taken for a different purpose or obtained through dishonest deception. Santander can't fairly be held liable for a loss incurred as the result of a failed investment.

Ms B and Mr G say that Santander should've intervened when the payments were made and, had they done so, the loss would've been prevented.

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

But, even if I was satisfied that Santander should've intervened when these payments were made, I'm not satisfied that Ms B and Mr G's loss would've been prevented. I say this as all the information they had available about J, at the time of the payments, suggested that it was a genuine investment. It was introduced to them initially by I, who had been sending them newsletters for nearly 10 years and who they had successfully invested through previously.

I realise that there was a separate introducer, K, involved with the investment in J. But I can't see that there was any adverse information available about K. Ms B and Mr G checked the website of the company K worked for and didn't have any concerns.

So, if Santander had intervened and asked Ms B and Mr G questions about the payments they were making, I'm not satisfied that any of the information Ms B and Mr G would've shared with them would've suggested that they might be at risk of financial harm from fraud.

Ms B and Mr G say that intervention by Santander on earlier payments to another investment, also made through K, would've prevented these payments from being made. For completeness, I wasn't satisfied that intervention by Santander on the earlier investment would've identified a risk of financial harm or prevented the loss on those payments. So, I'm not satisfied that is a reason to uphold the payments involved with this investment.

I'm really sorry to disappoint Ms B and Mr G who have lost a substantial amount of money, which has caused them financial difficulties. But having considered all of the evidence, I'm not satisfied that I can fairly hold Santander liable or ask Santander to refund them.

### **My final decision**

My final decision is that I don't uphold this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B and Mr G to accept or reject my decision before 8 December 2025.

Lisa Lowe  
**Ombudsman**