

The complaint

Mr M complains that his current account provider, Santander UK Plc, failed to give him a warning that might have prevented him falling victim to a scam.

What happened

Mr M banks with Santander. He sold an item online for an agreed price of around 2,700 euros. The purchaser banked outside the UK and had agreed to make payment by bank transfer into Mr M's UK account.

Mr M met the purchaser to collect payment and hand over the goods. He gave his bank account number and sort code to the purchaser. He was sent a screenshot of what appeared to be a banking app showing a payment of the agreed sum to his bank details.

Mr M couldn't see payment received into his account. In order to confirm whether this was genuine before handing over the item, Mr M called Santander. He says Santander told him that he should check for a transaction ID and reference number. Mr M could see both of those on the screenshot. He handed over the goods.

Two days later, concerned the payment still hadn't arrived, Mr M called Santander again. This time he was told that because the payment was coming from outside the UK, he would have needed to give the purchaser a SWIFT and IBAN number as well as his account number and sort code. Without that the payment couldn't have been made. Mr M hadn't given the purchaser that information. He realised that the screenshot he had been sent was a fake and that no payment had been made to him – he had been the victim of a scam.

Mr M complained. He said that if he had been given fuller and more correct information on the first call, rather than the second, he would have realised it was a scam straightaway.

Santander accepted that it hadn't given Mr M correct information on the first call. It paid him £100 compensation. Mr M didn't accept that and brought his complaint to us. He said that he had lost out financially and wanted Santander to pay him the equivalent of the 2,700 euros he had lost. Santander didn't agree to that, because it said that even though the first adviser had given the wrong information about the payment, Mr M had been advised not to send the goods until the payment had actually arrived, and it was his choice to go ahead before the funds had arrived in his account.

Our investigator didn't think Santander should fairly cover Mr M's loss. But he said Santander could have done more to make Mr M aware of the requirements for international transfers on the first call. He said it should increase the compensation to £200. Santander accepted that, but Mr M didn't. He asked for an ombudsman to review the complaint.

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've listened to the first call with Santander. Mr M said he was with the purchaser now and wanted to know whether to hand over the goods. He said a payment had been made from the purchaser's bank but hadn't shown up in his bank account yet and he wanted Santander to check whether it had arrived.

Santander's agent said that Mr M should wait until the payment cleared. He said he would check Mr M's account to see if there were any blocks that would prevent the payment coming through. Having checked he said there were no issues with Mr M's account and Santander would not stop any payment coming through. He suggested Mr M contact the sending bank to find out how long it would take for the payment to be sent to his account, but that it would usually take one business day.

Mr M said the purchaser had made the payment just now from his phone. The agent said it would take time to come through. The agent said the purchaser should have a faster payment ID code he could use to contact his bank and check how long the payment would take to clear. If it hadn't come through in the expected time, Santander could then use the ID code to trace the payment.

After this explanation, Mr M said "OK, so you're telling me, you're advising me to wait until that comes through, yes?". The agent said he could not give Mr M advice, but he could see that there was no issue with Mr M's account and no payment had been received.

Putting things right

I agree that the agent didn't check whether Mr M had given an IBAN number as well as his UK account number and sort code. And he referred to faster payments, which is UK only. If he had given more information about international transfers, Mr M might well have realised – as he did following the second call – that the payment hadn't in fact been made and he had been shown a fake banking app rather than a genuine transaction.

However, I don't think I can fairly say that this means Santander is responsible for Mr M's loss in having handed over the item in return for a fake payment that never arrived. The agent did make clear that the money had not arrived in Mr M's account. Mr M said payment had only just been made, and the agent said it would likely take at least one business day to arrive. Although he later said he couldn't give advice, at the start of the call the agent said Mr M should wait until the payment cleared before handing over the goods, and it's clear from the question he asked later that Mr M had understood that he ought to wait for payment to clear. I don't therefore think I can fairly hold Santander responsible for Mr M's decision to hand over the goods before it had cleared.

I bear in mind that while Mr M did say he was expecting the payment from an account outside the UK, that was said in passing while describing the situation more generally at the start of the call, so it's possible the agent didn't pick up on it. But nonetheless, I do agree that Santander could have done more on the first call. Mr M did say that he was expecting payment from abroad. He named a bank that operates both in the UK and overseas. On balance, I think the agent should have done more to clarify the nature of the payment. This meant the agent didn't check that Mr M had also provided an IBAN number. But as I've explained, I'm not persuaded that this was the cause of Mr M handing over the goods before he had received payment. And Mr M did understand, during the call, the risks of doing so. No doubt the purchaser was persuasive in convincing Mr M to do that notwithstanding the conversation he had had with Santander. But I can't hold Santander responsible for that. In all the circumstances, I think Santander's agreement to a further £100 compensation, on top of the £100 it has already paid, is fair.

My final decision

My final decision is that Santander UK Plc should pay Mr M a further £100 compensation.

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

Simon Pugh
Ombudsman