

## **The complaint**

Mr R, who is represented, complains that Santander UK Plc didn't do more to protect him from fraud.

## **What happened**

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

In late 2024, Mr R was victim of a rogue trader and recovery fraud. He was persuaded by an unknown third-party that remedial works were needed on his property, and that ongoing legal proceedings were taking place to recover the funds he'd lost from previous traders that had exploited him.

Between October and November 2024, Mr R issued three cheques from his Santander account to that third-party totalling £48,000.

After sharing the experience with a family member, Mr R was encouraged to report the matter as fraud to Santander, which he did. This was eventually treated as a fraud claim.

Santander investigated that claim but concluded that the payments had not been triggered by its fraud detection systems. It therefore didn't agree to reimburse Mr R's loss.

Unhappy with that response, Mr R referred his complaint to this service for an independent review. An Investigator considered the complaint and recommended it be upheld. In summary, they found that Santander ought to have been concerned about the activity on the account. And had it intervened proportionately, it would have uncovered the fraud, prevented further payments, and been able to recover some of Mr R's loss.

Santander disagreed with that assessment, arguing that cheques do not pass through additional security checks. So, the matter has now been passed to me to decide.

## **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.

### *Considerations*

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.

Taking into account the above considerations, Santander ought reasonably to have been on the lookout for any transactions that would indicate Mr R was at risk of financial harm from fraud. And where it identifies a risk, it ought reasonably to intervene in that payment, ascertain the purpose of it, and provide proportionate warnings relevant to the risk

presented.

Santander has argued on several occasions that it could not identify fraudulent activity here, as the method in which Mr R made the payments are not screened in the same way as other payments, such as bank transfers and card payments. I do not accept that argument.

While cheque payments are processed via an automated system, this does not prevent Santander from screening the payment before it is made. Santander has already pointed out that it is put on notice that the cheque has been cashed, and this causes the cheque to be screened for authenticity. Santander has also admitted that its automated systems check the customer's balance to ensure there are enough funds for the cheque to clear. While the window for doing this is narrower than previous cheque clearing systems, the opportunity still exists.

Furthermore, even were I to accept that Santander has no way of intervening in suspicious cheque payments—which I do not—, then I would still expect it to be monitoring a customer's account for payments indicative of fraud or financial harm, which it has admitted in several correspondence to this service that it does. And even if it were unable to stop a cheque from being paid, it should still be querying a suspicious cheque payment after it has been executed from its customer's account. In summary, cheque payments are not excluded from Santander's long-standing duty of care to prevent money laundering, fraud and financial harm.

*Should any of the cheque payments triggered an intervention?*

When looking at Mr R's previous account history, it isn't unusual for him to make the occasional higher value payment. The first cheque that was paid from his account was significant in value, but did fall in line with the way in which his account had been used previously.

However, I agree with the Investigator's assessment that the second cheque payment displayed numerous risk indicators associated with fraud. It was the second high value cheque payment to leave Mr R's account in a short space of time. And this had depleted the balance of Mr R's account significantly, which was unusual. For these reasons, I find that Santander ought to have intervened at the point the second cheque payment was, or had, been made; the purpose of which ought to have been to find out why Mr R was making the payment and eliminate the possibility of fraud or financial harm.

*Would that intervention have made a difference?*

I have no way of knowing for certain what would have happened had Santander have contacted Mr R and questioned him as to the purpose of the payment. However, the evidence would suggest that it's likely an intervention would have uncovered the fraud.

Mr R's representative has told our service that Mr R was instructed by the fraudster to tell the bank the cheques were being paid for building works. This was—partially—what Mr R was making the payments for, so he hadn't been coached to be dishonest with the bank. The fraudster was also not with Mr R at the point the cheques were being processed and paid, so there would have been no way for the fraudster to coach Mr R through any intervention call.

For these reasons, I find it more likely than not that Mr R would have been honest about the circumstances surrounding the payment. And disclosure of those circumstances would have led to Santander knowing Mr R had been the victim of fraud; it bore all the hallmarks of a rogue trader and recovery fraud.

That likely would have led to Santander warning Mr R about such frauds and likely resulted in Mr R not continuing to make payments.

It also would have led to Santander contacting the receiving bank in an attempt to recover any funds that remained in that account. As the second cheque had not been immediately exited from that account, it would have had the opportunity to recover the second cheque in its entirety.

*Should Mr R have done more to protect himself?*

Santander has made no argument about Mr R's complicity in his own loss, so I don't intend to dwell on this point. However, I don't find Mr R ought to bear liability for his loss by way of contributory negligence.

This was clearly a well-orchestrated fraud whereby the fraudster knew of Mr R's previous run-ins with rogue traders—likely due to his details being shared amongst fraudsters. And the personal touch of having someone attend his property gave credence to the legitimacy of their intent. I therefore find that Mr R should not bear any responsibility for his loss.

*Did Santander do all it ought to have done to recover Mr R's funds?*

I can also see that £100 of the first cheque Mr R paid remained in the receiving bank account at the time the second cheque, for £10,000, was paid. Therefore, had Santander contacted the receiving bank on the day it ought to have uncovered the fraud and prevented it, it would have recovered a further £100 from the first cheque paid.

I therefore find that it should reimburse Mr R this amount.

### **Putting things right**

Santander should now reimburse Mr R the loss he suffered from the second and third cheques paid. These cheques amount to £34,000. It should also reimburse Mr R the £100 it ought to have recovered from the receiving bank.

To reflect the deprivation Mr R has suffered of those funds, it should also pay interest on this amount from the date the transactions debited Mr R's account—or where recovery ought to have been attempted—to the date of settlement. This should be paid at 8% simple annual.

### **My final decision**

For the reasons I have given above, I uphold this complaint and direct Santander UK Plc to settle the complaint as I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 20 February 2026.

Stephen Westlake  
**Ombudsman**