

## The complaint

Ms A complains that Santander UK Plc failed to reimburse her money she lost after she says she was a victim of fraud.

## What happened

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

In early 2024, Ms A sought the services of a contractor to build an extension on her property. After carrying out research and comparing quotes, she employed the services of a business I will refer to as Business H. Representing that business was a Mr B.

Mr B initially quoted Ms A for the foundations to be completed, and Ms A made the payments requested from her Santander account.

Mr B then quoted Ms A for further works to be carried out in relation to the installation of a floor. Ms A, happy to proceed, made further payments from her Santander account.

The payments in total can be seen in the below table:

Payment no. and date	Payment type and to	Amount
1. 24 January 2024	Transfer to Mr B	£794
2. 26 January 2024	Transfer to Mr B	£2,000
3. 27 January 2024	Transfer to Mr B	£1,993
4. 5 February 2024	Transfer to Mr B	£1,275

Following on from the final two payments, Ms A says that Mr B never attended to complete the works. Nor did he return any contact from Ms A.

Believing she'd been the victim of fraud, Ms A contacted Santander to raise a claim. But after considering that claim, Santander concluded that Ms A had not been a victim of fraud. Instead, it found that the matter was a civil dispute between Ms A, Business H and Mr B. It therefore found that it had no liability to reimburse her loss.

Ms A, unhappy with that assessment, referred her complaint to our service for an independent review. After considering Ms A's complaint, the Investigator concluded that from payment three in the table above, Ms A had likely been the victim of fraud. They therefore recommended that Santander reimburse the final two payments in full, with interest.

Santander disagreed. It maintained that the matter was a civil dispute and not fraud, as Mr B had attended the property and carried out some of the works paid for.

As Santander disagreed, the matter was passed to me to decide.

On 14 October 2025, I issued findings to both parties outlining my provisional assessment of the complaint as I intended on reaching a different outcome to that of our Investigator. My provisional assessment was 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 Ms A authorised the transactions in question. And the starting position in law is that Ms A will be held liable for the 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 to the Lending Standards Board’s Contingent Reimbursement Model (the CRM Code) at the time the payments were made. Under that Code, firms are expected to reimburse customers who fall victim to fraud, subject to a number of exceptions.

However, the CRM Code is only relevant if I’m persuaded Ms A was a victim of fraud. The Code specifically doesn’t cover certain types of disputes. It says:

*“This Code does not apply to...private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier”.*

Likewise, even had the payments not fallen within the scope of the CRM Code, Santander has no liability to reimburse Ms A her loss from a bank transfer where the matter is deemed a civil dispute, such as where she paid a legitimate contractor for services that were either not completed or were not to the standards expected.

From the information provided so far by Ms A, I’m not persuaded she has been a victim of fraud here. I’ll explain why.

Firstly, I want to start by acknowledging that Ms A has clearly been through a distressing time because of the actions of Mr B, and I do sympathise with the emotional and financial difficulties she found herself in, in having to rectify the site that was left incomplete.

It has been acknowledged by Ms A that the first two payments in the table above do not form part of her claim. That’s due to Mr B attending the site and completing some of the works, namely laying the foundation of the extension. It is in relation to the last two payments she believes Mr B took her money with no intention of carrying out the works paid for. I have considered that when reaching my findings.

I would also like to make it clear that I cannot know for sure what Mr B intentions were when he took the funds from Ms A. So I must infer from the evidence available to me what I think to be the most likely scenario on the balance of probabilities.

What I do know from the evidence is that Mr B appears to be a sole trader. Ms A has only been able to provide our service with one email between her and Mr B. And that was a quote regarding the fitting of a block and beam floor which was to be fitted after he’d already laid

the foundations down for the extension. The quote says that Ms A would need to pay a deposit of £1,275, therefore, it's reasonable to assume that the final payment made was in relation to this.

In the email from Mr B, he only appears to use his name and emails Ms A from a personal email address. I have seen no reference in the email to Business H, so cannot make any reference to the business Mr B claimed to work for.

I can also infer that up until the final payment made, Ms A was likely satisfied with the work Mr B had carried out up until that point, as it's unlikely she would have continued to pay him had that not been the case. So it's likely Ms A was paying in increments, with each stage being paid for with a deposit and then a final payment once the works had been completed—as is set out in the one email Ms A has been able to provide.

There is no evidence here to support that Mr B claimed to be someone that he was not. I say this as I can see from the receiving account that it was held in the name of the person who Ms A was corresponding with, so I'm satisfied that Mr B was using his true identity and not misrepresenting himself.

Further, enquiries with the receiving account provider have revealed that there were no other concerns raised against Mr B's account; something I would expect to see where a person or business is operating illegitimately or with fraudulent intent. I can also see that following on from Ms A making the third payment, the money was transferred out of the account to a third party in its entirety. Our service does not have the legal power to trace this payment to its exit source, so I can't be sure if this was sent on to a sub-contractor, used to purchase materials or used for any other purpose. But what it does not indicate is that the funds were misappropriated or not used for their intended purpose.

Ms A has also provided our service with a chain of emails from her to a member of the police service. This chain omits the responses given by law enforcement, but would indicate that the police were not pursuing matters criminally against Mr B.

While I understand Ms A's primary argument here—that Mr B appears to have taken money and not carried out the work or provided the materials paid for—there is little evidence here that Mr B intended from the outset to defraud her. To the contrary, it appears that a large portion of the work was carried out satisfactorily, Mr B was using his legitimate identity, and that there are no other concerns that have been raised about Mr B to his account provider or otherwise.

Further, I cannot rule out other possible scenarios here. For example, there is a possibility that Mr B fell into financial difficulties, or that he decided to no longer continue with works following on from a dispute between him and Ms A.

I would like to make it clear that I am by no means ruling out the possibility that Ms A has been the victim of fraud here. But on the balance of probabilities, and from the evidence available to me at present, I am not persuaded it's likely Ms A has been the victim of fraud. It therefore follows that Santander cannot fairly be held liable for her loss."

Santander provided no further comment. But Ms A disagreed with the outcome reached. In summary, she argued the following:

- Santander were called shortly after the payments were made and instructed to recall the funds. The bank was obliged follow her instruction.
- Law enforcement had advised Ms A that she had been defrauded and instructed her to ask the bank to recall the funds.

As both parties have now responded to my provisional assessment, 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.

I have already dealt with the second point Ms A has raised in my provisional findings, so I don't intend to repeat those findings again here. However, I will respond to Ms A's point regarding Santander's recovery of her funds.

Faster payments are transfers of funds between accounts. These payments are immediate and carry no level of protection when it comes to disputes that arise from them. Banks can attempt to recover funds paid from faster payments on a best endeavours basis, but it has no formal process in which it can raise a civil dispute arising from a faster payment or compel a receiving bank to return those funds.

Ms A has alluded to the fact that Santander did not attempt to recall her funds when she instructed it to do so. But Santander has no obligation to do so in circumstances where it deems the matter a civil dispute between two parties rather than an instance of fraud.

Regardless of this, I can see Santander contacted the receiving bank on the day she reported the fraud, despite it not being required to do so: I cannot see any record of the response received by that bank. But having looked at the statements associated with the receiving account, Ms A's funds had already exited that account at the time Ms A asked Santander to recall the funds. So there were no funds left in the account to recover at that stage.

I know this will come as a disappointment to Ms A, but I don't find Santander has made any error in its attempts to recover her funds.

### **My final decision**

For the reasons I have given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 9 December 2025.

Stephen Westlake  
**Ombudsman**