

The complaint

Miss G complains that Santander UK Plc didn't refund her the money she lost as the result of an investment scam. She believes that Santander should have done more to protect her. Miss G wants the money she lost refunded along with 8% interest and £300 compensation.

Miss G is represented by a third party but for ease of reference I have referred to Miss G throughout this decision.

What happened

Miss G has said she was the victim of a romance and investment scam. Miss G met a man through a dating app (referred to in this decision as 'the scammer'). A relationship evolved which Miss G believed to be genuine. Over time the scammer introduced the idea of achieving future goals together and said this would require financial investment. The scammer said he invested in cryptocurrency and while Miss G said she was reluctant at first, over time the scammer was able to get her trust and suggested Miss G make a small investment.

Miss G made an initial investment of £50, and the scammer guided her through this. She was then shown that her investment made an immediate profit. Miss G was reassured by this, the scammer's guidance and by the screenshots she was receiving showing her investment progress and she invested further money. Miss G believed she was making genuine investments but when she tried to withdraw her money, she found the money had disappeared and when she contacted the cryptocurrency platform, she was told the wallet she had invested into was not associated with a legitimate platform.

Miss G made the payments using her Santander debit card. The payments are set out below.

Payment	Date	Payment to	Amount
1	17 January 2024	Cryptocurrency account	£51.50
2	6 February 2024	Cryptocurrency account	£514.95
3	18 February 2024	Cryptocurrency account	£1,029.90
4	21 February 2024	Cryptocurrency account	£1,029.90
5	29 February 2024	Cryptocurrency account	£2,059.80
6	11 March 2024	Cryptocurrency account	£2,059.80
7	15 March 2024	Cryptocurrency account	£2,059.80
8	19 March 2024	Cryptocurrency account	£2,574.75

9	22 March 2024	Cryptocurrency account	£2,574.75
10	27 March 2024	Cryptocurrency account	£1,441.86
11	11 April 2024	Cryptocurrency account	£5,149.50
12	24 May 2024	Cryptocurrency account	£3,089.70
13	9 June 2024	Cryptocurrency account	£5,149.50
14	10 June 2024	Cryptocurrency account	£2,059.80
15	28 June 2024	Cryptocurrency account	£10,229.00
16	1 July 2024	Cryptocurrency account	£1,647.84
		Total	£42,792.35

Miss G said that Santander should have done more to protect her noting that the payments to the cryptocurrency platforms were a change to her usual pattern of spending. She thought the size and type of payments should have raised red flags with Santander and intervention should have happened. She said that had Santander intervened in the way it should have the scam would have been identified and losses prevented. Miss G also said she was vulnerable at the time of the scam as she had limited financial resources making her more susceptible to the promises of financial gain presented by the scam.

Santander said that Miss G authorised the payments and that it wasn't responsible for the loss Miss G suffered. It said that the payments were made by debit card and so weren't covered by the Contingent Reimbursement Model (CRM). It explained that the payments were made for the purchase of cryptocurrency which was received before being moved on. It said it couldn't recover the funds.

Miss G referred her complaint to this service.

Our investigator thought that Santander should have intervened and contacted Miss G before payment five was released on 29 February 2024. He thought that had effective intervention happened at this time, Miss G would have been alerted to the scam and this and subsequent payments wouldn't have been made. He didn't think that Miss G had acted unreasonably in this case, noting she was the victim of a romance scam, and he thought that it was the actions of Santander that were important in preventing the losses. Therefore, he recommended that Santander refund Miss G all payments from 29 February 2024 along with 8% interest.

Miss G accepted our investigator's view. Santander didn't.

Santander challenged why the intervention was needed at payment five given the size of the payments being made and that they were being paid to a genuine cryptocurrency provider. It said the cryptocurrency account had been opened in Miss G's name, and she was able to control it. It said it was unclear what happened to the money after it reached this account.

Santander said that it called Miss G in June 2024, and she didn't give completely honest answers and said that she wasn't being forced or put under pressure to make the payments, that there was no third-party involved and the investment hadn't been recommended by

anyone. It said that had honest answers been given the questions would have taken a different route and it didn't think it fair to say that earlier detection calls would have uncovered the scam.

Santander also challenged Miss G's liability in this case. It noted that Miss G met the scammer and without knowing them trusted the investment advice they gave. She then said that the investment hadn't been recommended by anyone else. It said she didn't appear to have taken action to limit her risk. Therefore, it didn't agree that she had no liability for the losses. Santander also noted that payment 15 was funded by a loan and said that it should not be liable for this and Miss G should approach the loan provider.

Our investigator responded to Santander's comments and said his view hadn't changed. He noted that by payment five, Miss G had paid a total of £4,686.05 to the cryptocurrency exchange, which was not in line with her usual spending pattern. Given this he thought Santander should have intervened. While our investigator noted that Miss G hadn't been completely honest on the detection calls, he still thought that had an appropriate line of questioning been asked Miss G wouldn't have been able to give satisfactory answers and so he thought effective intervention would have prevented further payments. Our investigator noted that Miss G had received a £10,000 loan before payment 15 but said that it wasn't uncommon for victims of scams to take out loans to fund further payments and as Santander allowed the payment, he said it was still liable for this.

Santander still didn't accept our investigator's view. It reiterated its comment about the loan and said that Miss G should contact the loan provider about the possibility of a write-off. It said that any outcome regarding the loan would affect this claim. It also reiterated that the money was lost after the trades took place on Miss G's account with her cryptocurrency exchange not from her Santander account so she should contact the cryptocurrency exchange about her loss.

As a resolution wasn't agreed, this complaint was passed to me, an ombudsman, to issue a decision.

My provisional conclusions

I issued a provisional decision on this complaint. While I upheld the complaint as our investigator had, I upheld it from a different payment and came to a different conclusion in regard to Miss G's liability for the upheld payments. The details of my provisional decision are set out below.

Miss G authorised the payments and under the Payment Service Regulations 2017, the starting point is that she is liable for the payments she authorised. However, Santander should have systems in place to look out for out of character or unusual transactions, or other signs that might indicate that its customers are at risk of fraud. Miss G made the payments by debit card to an account held in her name and so as Santander has explained the payments aren't caught by the CRM.

Miss G was a Santander customer before these payments were made and so Santander had access to her account history to be able to identify whether the payments were unusual or out of character. In the months leading up to the disputed payments, Miss G had used her Santander account for paying regular bills and general spending. She was making regular payments for certain bills in the hundreds of pounds such as a monthly payment for housing of just over £600, but generally her spending consisted of lower value transactions.

Miss G started to make the payments to a cryptocurrency platform in January 2024. While I understand the account was in her name, these payments are recognised as carrying an

elevated level of fraud risk, and I think this should have raised questions. However, the first two payments were for relatively small amounts and were below the amounts Miss G was regularly spending from her account. While the next two payments were for larger amounts the individual values were still just over £1,000 and the timing of these didn't suggest that Miss G was being pressured into making payments in quick succession. Therefore, I do not find it unreasonable that payments one to four weren't flagged by Santander's systems for any additional intervention.

Payment five was for £2,059.80. This was the fifth payment in around six weeks and brought the total amount Miss G had paid to her cryptocurrency account to £4,686.05. I think at this point, Santander should have been concerned about the pattern of payments developing, noting the amounts were increasing, and issued a cryptocurrency specific warning to Miss G.

I have looked through the evidence provided. The chat messages between Miss G and the scammer have been provided from April 2024 onwards and so do not cover February 2024 when payment five took place. However, details in the later chat suggest that Miss G believed she was building a possible future with the scammer, and she trusted his advice in regard to the investment she was making. I have also listened to the intervention calls that took place in June 2024, and while I will comment on the details of these later, I think based on the information given, Miss G seemed comfortable with making payments to her cryptocurrency account, said she had checked the company she was paying to and said she wasn't recommended the investment. The higher risk of scams with cryptocurrency was mentioned and Miss G wasn't put off by this. So, in this case, I do not think, on balance, I can say that a tailored cryptocurrency warning would have stopped Miss G from authorising this and subsequent payments.

Miss G continued to make payments to her cryptocurrency account. I think that by payment eight, there was enough to suggest that a pattern of payments had emerged that could suggest Miss G was at risk of financial harm. Payments six to eight were made in quite close succession (around four days between each) and the value of the transactions was increasing, with payment eight being for £2,574.75. Payment eight brought Miss G's total payments to her cryptocurrency account to over £11,000 in around two months. Therefore, at this point I think that Santander should have contacted Miss G to discuss the payment.

Santander made three intervention calls to Miss G in June 2024 and it has noted that on these calls Miss G wasn't completely honest and her responses to the questions asked meant that further questioning didn't happen. Based on this it concluded that earlier intervention wouldn't have identified the scam or prevented Miss G making further payments. Having listened to the calls, I think that opportunities were missed on the first two calls to probe Miss G about the payments she was making. The third call did provide more detail about the risk of cryptocurrency investments and asked Miss G whether she set up the wallet herself and whether the investment was recommended to her. Miss G confirmed she set up the account and had control of it and said that she hadn't been recommended the investment and instead had researched it herself. While I accept that Miss G didn't provide truthful answers, I also think that she sounded uncertain when asked about choosing cryptocurrency. While I cannot say what further questions would have identified I think that had the adviser probed further into the payments and history of payments Miss G was making, then it is more likely than not that Miss G's answers would have raised concerns. Therefore, I think that had more effective probing intervention happened, Miss G would have been alerted to the possibility of a scam.

As I think that human intervention with probing questions should have happened at payment eight, I intend to uphold this complaint in regard to payment eight and all subsequent payments. I note Santander's comment about the loan Miss G took out before payment 15, but this complaint has only been raised against Santander, and I have nothing to suggest

that Miss G isn't liable to repay the loan. Miss G has also said that she funded some of the investment through loans from family and I can see payments into her account totalling £7,000 from a family member shortly before payments 13 and 14 were made. The other payments appear to have been funded through Miss G's own funds (she has noted being repaid money from a friend) and also using credit cards. Therefore, in this case, while I think it fair that statutory interest be added to some of the refund, I do not think this should apply to the £7,000 of funds provided by Miss G's family member as it isn't Miss G that has been without the funds.

I note that our investigator said that Miss G shouldn't be liable for any of the upheld payments, but I don't agree with this. Miss G seemed to be aware that cryptocurrency could be a risky investment and while I understand that she trusted the scammer and believed that the investments she was making were genuine, I think that had she challenged the scammer about the investment or carried out more checks of her cryptocurrency account, the scam could have been identified sooner. While I do not have access to the chat messages before April 2024, in the subsequent messages I think there were points when it would have been reasonable for Miss G to ask more about the investment, and there were messages from the scammer that should have raised concerns about the ongoing relationship. Therefore, I think that Miss G should be held jointly liable for the losses I have upheld, and she should receive a 50% refund of payments eight onwards.

Miss G accepted my provisional decision. Santander didn't. Santander said it remained in disagreement regarding the point of detection given the similar value of payments prior to this. It said it made detection calls in June 2024 which it felt was fair given the activity and values. It further said that it should be ensured that the loan Miss G received hadn't been written off before any reimbursement.

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.

When making a decision I take all relevant rules, regulations and guidance into consideration and my decision is based on what I consider to be fair and reasonable given the unique circumstances of the complaint. This complaint relates to the sixteen debit card payments Miss G made from her Santander account to an account in her name with a cryptocurrency exchange.

While I note Santander's comments, as I set out in my provisional decision, I think Santander should have been concerned about the pattern of payments developing by payment five and issued a cryptocurrency specific warning to Miss G. However, for the reasons I explained, I am not persuaded that a warning would have stopped Miss G making the payment. By payment eight I think the pattern of payments was enough to suggest that Miss G was at risk of financial harm. Therefore, at this point I think that Santander should have contacted Miss G to discuss the payment.

I accept that Santander made detection calls in June 2024, but this was almost three months after payment eight by which time the relationship between Miss G and the scammer had been able to develop further. On these calls I think opportunities were missed to ask more probing questions. On balance, I think that had effective intervention happened at payment eight, Miss G would have been alerted to the possibility that she was the victim of a scam. So, for the reasons I set out in my provisional decision, I am upholding this complaint from payment eight.

I set out my thoughts on the liability for the upheld payments, and I note Miss G accepted my comment that the liability should be split. Therefore my position on this hasn't changed.

Santander asked for it to be confirmed that the loan Miss G took out to part fund her payments hadn't been written off. We asked Miss G about this and she explained that she had entered an individual voluntary arrangement (IVA). We contacted the IVA supervisor and provided details of the proposed outcome to this complaint. While further requests were made to understand how best to proceed with the refund, confirmation wasn't received. As we have made the IVA supervisor aware of the complaint and redress and given the time that has passed, this decision is being issued and Miss G will need to consider her obligations under her IVA regarding disclosure of the redress.

Putting things right

As I am upholding this complaint in regard to payments 8 onwards, Santander should:

- Refund payment 8 and all subsequent payments. From this refund, Santander can deduct 50% to reflect Miss G's shared liability.
- Pay 8% simple interest* on the individual amounts from the date the payments were made until the date of settlement (this doesn't apply to payment 13 or £1,850.50 of payment 14 to reflect the £7,000 of family borrowed funds).

As Miss G has informed us she has entered an IVA, I would like to remind her that she will need to check her obligations under the IVA in regard to the redress.

*HM Revenue & Customs requires Santander to deduct tax from any award of interest. It must give Miss G a certificate showing how much tax has been taken off if she asks for one.

My final decision

My final decision is that Santander UK Plc should take the actions set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 15 April 2025.

Jane Archer
Ombudsman