

## The complaint

Mr W complains Santander UK Plc (“Santander”) won’t refund the money he lost to an investment scam.

## What happened

I issued a provisional decision in October 2025 to explain why I thought Mr W’s complaint should be partially upheld. And I said I’d consider anything else anyone wanted to give me before proceeding with my final decision.

This is an extract from my provisional decision:

*“The circumstances that led to this complaint are well known to both parties, so I won’t repeat them in detail again here. However, in summary, in August 2022, Mr W fell victim to a cryptocurrency investment scam. He saw an advertisement on the internet for a company I will refer to as “G”. Mr W registered his interest on G’s website.*

*Mr W was then put in touch with an “account manager” who instructed him to set up an account on what we now know to be a fake investment portal. Mr W was also instructed to set up an account with a cryptocurrency exchange (“B”) and an electronic money institution (“R”).*

*I have detailed some of the activity that took place on Mr W’s Santander account as part of the scam in the table below. The scam payments are in bold.*

*All of the payments that are the subject of this complaint were transferred from Mr W’s Santander account to the account he had opened with R before being moved on to Mr W’s cryptocurrency exchange account and then on to the scammers.*

<b>Date</b>	<b>Payment type</b>	<b>Payer / Payee</b>	<b>Amount</b>
18 August 2022	<i>Faster Payment in</i>	Loan	£25,000
18 August 2022	<i>Faster Payment in</i>	Mr W’s third-party account	£500
18 August 2022	<i>Faster Payment out</i>	Mr W’s own account	£500
18 August 2022	<i>Faster Payment out</i>	Mr W’s own account	£9,247
18 August 2022	<i>Faster Payment out</i>	Mr W’s own account	£8,574
18 August 2022	<i>Faster Payment out</i>	Mr W’s own account	£7,100
18 August 2022	<i>Faster Payment out</i>	Mr W’s own account	£179
19 August 2022	<i>Faster Payment in</i>	Mr W’s third-party account	£3,000
19 August 2022	<i>Faster Payment in</i>	Mr W’s own account	£200
<b>19 August 2022</b>	<b>Faster payment out</b>	<b>Mr W’s account at R</b>	<b>£3,131</b>
20 August 2022	<i>Faster Payment in</i>	Mr W’s account at R	£25,000

<b>22 August 2022</b>	<b>Faster Payment out</b>	<b>Mr W's account at R</b>	<b>£25,000</b>
23 August 2022	Faster Payment in	Loan	£11,000
<b>23 August 2022</b>	<b>Faster Payment out</b>	<b>Mr W's account at R</b>	<b>£11,000</b>

*Mr W realised he'd likely been the victim of a scam when he wasn't able to withdraw any of his supposed profits and in October 2022, he reported what had happened to him to Santander, with the help of a professional representative.*

*Santander declined to offer Mr W a refund of the amount lost. It said Mr W's funds had been lost from the accounts they had been transferred on to rather than from Mr W's Santander account and because of this, it didn't think it should be held liable for Mr W's loss now.*

*Mr W didn't agree with what Santander said and so he brought his complaint to this service and one of our investigators looked into things.*

*Our investigator initially thought that Mr W's complaint should be upheld from the second scam payment onwards. However, they later changed their mind and said the complaint should be upheld from the first scam payment. The investigator said Santander should've identified this payment as suspicious given the activity on Mr W's account and discussed it with him before it was allowed to leave his account. The investigator thought that had Santander done so, the scam would've come to light and Mr W's loss prevented. The investigator went on to say that they also felt Mr W should share responsibility for the success of the scam with Santander and so they recommended Santander refund Mr W 50% of his overall loss plus 8% simple interest to reflect this.*

*Santander did not agree with our investigator's opinion. It maintained that:*

- Santander had acted in line with industry standards whilst following Mr W's instructions to transfer money.*
- Mr W should pursue a complaint about R as it was Mr W's account at R that the funds had ultimately been lost from.*
- Mr W was transferring money to an account in his own name (which he had made multiple transfers to before) so it was unreasonable to have expected Santander to identify the scam transactions as potentially fraudulent. The transactions looked genuine when compared to Mr W's usual account activity.*

*As an informal agreement could not be reached the case has been passed to me for a decision.*

*What I've provisionally 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'm required to take into account relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.*

*In broad terms, the starting position at law is that firms, like Santander, are 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. However, whilst Santander was not required or obliged under contract to make checks, I am satisfied that, taking into account longstanding regulatory expectations and requirements and what I consider to have been good practice at the time, it should fairly and reasonably have been on the look-out for the possibility of APP fraud and have taken additional steps, or made additional checks, before processing payments in some circumstances – as in practice all banks, including Santander, do.

So, overall, taking into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Santander should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – as in practice all banks do.
- Have been mindful of – among other things – common scam scenarios, the evolving fraud landscape (including for example the use of multi-stage fraud by scammers) and the different risks these can present to consumers, when deciding whether to intervene.

Should Santander have fairly and reasonably made further enquiries before it processed Mr W's payments?

Unlike the investigator, I'm not persuaded that the first payment amounting to £3,131 was so unusual that it should've prompted an intervention from Santander. The payment in question was for a relatively modest amount, was being made to an account in Mr W's own name (that he had paid funds to before) and was in-line with the usual activity on his account. And so, I'm not currently minded to make any recommendations in regard to this payment.

The above being said, I am persuaded that Santander should've had serious concerns about the activity on Mr W's account once he attempted to make the second scam payment for £25,000.

This payment was significant in value and it was being made after a significant credit into the account. So, I'm satisfied Santander ought fairly and reasonably to have identified from the information available to it that there might be an increased risk associated with this payment leaving Mr W's account – there had now been a series of payments that were generally increasing in value and whilst there may have been legitimate reasons why Mr W was making a series of payments in a short period to an e-money account in his own name, I am satisfied Santander ought to have recognised the enhanced scam risk.

In reaching my view that Santander ought fairly and reasonably to have made further enquiries from this point onwards, I consider Santander ought to have been mindful of the potential risk to Mr W of 'multi-stage' fraud – whereby victims are instructed to move funds through one or more legitimate accounts held in the customer's own name to a fraudster. The use of and risks to consumers of multi-stage fraud were well known to banks in 2022. But, this isn't enough for me to say that Santander should refund Mr W the remaining money

*he's lost, I also need to be persuaded that proportionate intervention by Santander would have made a difference and prevented the payments from being made.*

*If Santander had made further enquiries before processing the payment, would that have prevented the losses Mr W incurred?*

*Of course, I can't know for sure what would have happened had Santander probed Mr W further about these payments. So, I have to base my findings on the balance of probabilities – that is, what I think is more likely than not to have happened.*

*Had Mr W told Santander that he was being asked to purchase cryptocurrency by a third-party who he'd found on a social networking website, I'm satisfied Santander would have immediately recognised that Mr W was falling victim to a scam. It would have been able to provide a very clear warning and, given that Mr W had no desire to lose his money and nothing to gain from going ahead with the payment, it's very likely that he would have stopped, not followed the scammer's instructions and his loss would have been prevented.*

*Had Santander contacted Mr W to discuss the payment, I'm satisfied that it's more likely than not that the scam could've been uncovered. Mr W hadn't been given a cover-story by the scammer and would've had no reason to lie to the bank if actively engaging with someone in real time. And I'm satisfied that had Santander, after asking relevant probing questions, identified that Mr W had been promised significant returns by a person they had found on social media, it would've fairly quickly identified that Mr W was about to fall victim to a scam and could've prevented any further payments from leaving his account.*

*For this reason, my starting position here is that I am currently minded to say that it would be fair and reasonable for Santander to take responsibility for 50% of Mr W's overall loss from the second scam payment onwards. For the reasons I'll set out below. I'm also satisfied that Mr W should also bear some responsibility for the success of the scam.*

*Is it fair and reasonable for Santander to be held responsible for Mr W's loss?*

*In reaching my decision about what is fair and reasonable, I have taken into account that Santander is one of multiple firms involved in this scam.*

*But as I've set out in some detail above, I think that Santander still should have recognised that Mr W might have been at risk of financial harm from fraud when he made second payment, and in those circumstances, it should have declined the payment and made further enquiries. If it had taken those steps, I am satisfied it would have prevented the losses Mr W suffered from payment two onwards. The fact that the money used to fund the scam came from elsewhere and/or wasn't lost at the point it was transferred to Mr W's account at R does not alter that fact and I think Santander can fairly be held responsible for Mr W's loss in such circumstances. I don't think there is any point of law or principle that says that a complaint should only be considered against either the firm that is the origin of the funds or the point of loss.*

*I've also considered that Mr W has only complained about Santander. I accept that it's possible that other firms might also have missed the opportunity to intervene or failed to act fairly and reasonably in some other way, and consumer could instead, or in addition, have sought to complain against those firms. But Mr W has not chosen to do that and ultimately, I cannot compel him to. In those circumstances, I can only make an award against Santander.*

*Ultimately, I must consider the complaint that has been referred to me (not those which haven't been or couldn't be referred to me) and for the reasons I have set out above, I am*

*satisfied that it would be fair to hold Santander responsible for Mr W's loss from payment two (subject to a deduction for consumer's own contribution which I will consider below).*

*Should Mr W bear any responsibility for his losses?*

*In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint.*

*I recognise that, as a layman who claims to have little investment experience, there were aspects to the scam that would have appeared convincing. Mr W was introduced to it through an advert on social media and these adverts can be convincing.*

*I've also taken into account the provision of the trading platform, which based on what Mr W has said, appeared genuine. I know that fraudsters used the apparent success of early trades to encourage increasingly large deposits. I can understand how what might have seemed like taking a chance with a relatively small sum of money snowballed into losing a life changing amount of money. So, I've taken all of that into account when deciding whether it would be fair for the reimbursement due to Mr W to be reduced. Having done so, I think it should.*

*My intention is not to further Mr W's distress where he's already been the victim of a cruel scam. But despite some of the plausible aspects of the scam, I am satisfied that Mr W should've had serious concerns about what he was being told by G from the outset and that he should've questioned the legitimacy of the supposed investment. Specifically, I've taken into account:*

- Mr W didn't seek to independently verify the information he was being provided with by the scammers.*
- Mr W made substantial payments to the scammers for the investment without being provided with any paperwork that you'd reasonably expect to see in an investment of this value.*
- The profits being offered to Mr W and the timescale to receive them in were too good to be true. Mr W had been told that G would match his investment up to an amount of £3,000 supposedly at considerable cost to G and his initial investment had apparently increased substantially over a matter of days.*

*Ultimately, I'm satisfied that what was being offered here was so unrealistic and unlikely that Mr W ought reasonably to have had significant concern about the legitimacy of the opportunity that was presented to him. That, in turn, ought to have led to a greater degree of checking on his part.*

*So, overall, I've concluded on balance, that Santander can fairly reduce the amount it pays to Mr W because of his role in what happened. Weighing the fault that I've found on both sides, I think a fair deduction is 50%.*

*Could Santander have done anything else to recover Mr W's money?*

*I've also thought about whether Santander could have done more to recover the funds after Mr W reported the fraud. However, I don't think it could. The payments under discussion here had been made to an account in Mr W's own name and had been moved on and converted into cryptocurrency and sent to the scammers account before Mr W reported being the victim of a scam. And so, I don't think there was anything more Santander could've done to recover the money in these circumstances."*

## **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.

Having done so, I'm minded to reach the same overall conclusion as I reached in my provisional decision. I'll explain why.

Mr W responded to my provisional decision to say he accepted my findings. Santander responded to say it did not agree.

Santander enquired why only three of the transactions that were sent to Mr W's account at R in August 2022 were being complained about. It also questioned whether Mr W had received any returns into his account at R – which it wouldn't have sight of. It reiterated that Mr W had made multiple transfers to R in August 2022 and therefore the account at R had become a "trusted account". It also reiterated that Mr W should pursue a complaint about R as this is where his loss ultimately stemmed from. I'll address each point in turn.

Mr W did not receive any returns as part of his involvement with the scam into his account at R or otherwise. However, as part of the scam, the scammer asked Mr W to make various transfers from his Santander account to his account at R, and back again, in order to try and make the later scam activity look "usual". This is the activity I detailed in the table I included in my provisional decision and the activity Santander is now questioning. The reason only three of the transactions have been complained about is because only three of the transactions resulted in Mr W suffering a loss – the other payments simply moved money around Mr W's accounts and the funds were not forwarded on the scammer.

I acknowledge Santander's argument that the money movements ultimately led to Mr W's account at R becoming a "trusted account". This is one of the reasons I disagreed with the investigator that the first scam payment should've triggered an intervention from Santander. However, I explained in some detail in my provisional decision why I felt that even though the second scam payment was being made to an account in Mr W's own name and even though he had paid the account before, it should've triggered an intervention and I have nothing further to add on this point over and above what I have already said. I also explained in my provisional decision why I cannot compel Mr W to raise a complaint about R so I don't intend to touch on that again here either.

Overall, as neither party has put forward any new evidence or arguments for me to consider, I see no reason to depart from the conclusions I reached in my provisional decision.

## **My final decision**

My final decision is that I partially uphold this complaint about Santander UK Plc. It should now pay Mr W:

- 50% of his overall loss, from and including the second scam payment made on 22 August 2022.
- 8% simple interest per year on that amount from the date of each payment to the date of settlement.\*

\*If Santander UK Plc considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr W how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 10 December 2025.

Emly Hanley Hayes  
**Ombudsman**