

The complaint

Mr L complains about Santander UK Plc not providing him with a refund when he became the victim of an impersonation and safe account scam. He also complains about their service.

What happened

On 6 November 2024, Mr L received a text from a well-known parcel delivery company requesting his bank details to pay a small delivery fee. Believing this to be a genuine request Mr L replied with his details.

On 8 November 2024, Mr L received calls from a scammer pretending to be a Santander security agent. The scammer said there had been suspicious payments and cash transactions on his account and criminals were about to further access his account.

The scammer knew some of Mr L's personal information and asked him to agree a transaction on his banking app, moving £1,800 to a safe place so they could then protect the account. Mr L subsequently approved a payment for £1,800 which popped up on his Santander banking app. The payment was to a crypto exchange called Company C.

Mr L explains that he instantly regretted making the payment and was annoyed with himself as he panicked. Mr L contacted Santander and said he was told that in all likelihood he would be reimbursed. But he was later disappointed to be told he wouldn't get a refund.

As the financial loss was significant to Mr L, especially as he felt vulnerable due to recent traumatic events in his life and not having an income and job, he raised a complaint with Santander.

Santander said they weren't liable and that *'as the payment was classed as a scam and took place on your debit card, we were unable to refund the money back to you'*.

Mr L was dissatisfied and brought a complaint to our service. His complaint points included the following:

- His vulnerability meant *'he struggled with trust issues and anxiety, particularly when dealing with people over the telephone in the process of attempting to secure work'*.
- Santander call handlers gave him conflicting advice on new rules implemented from 7 October 2024, which state that reimbursement is mandatory for all APP frauds, causing confusion.
- On 26 November 2024 a Santander agent *'assured me that my claim should have been classified as fraud and that I should expect to be reimbursed'* and *'after hearing this, I believe it is reasonable to expect reimbursement'*.

Our investigator couldn't see that Santander's decision not to refund Mr L was unfair or unreasonable. However, as Mr L disagrees and remains dissatisfied his complaint has been passed to me to look at.

I issued the following two provisional decisions:

Provisional Decision 1 – dated 16 October 2025

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.

Having done so, my provisional decision is to uphold this complaint. And I'll explain why.

- *I'm very sorry that Mr L has been a victim of this cruel scam.*
- *I'm satisfied that the APP Scam Reimbursement Rules, introduced by the Payment Systems Regulator in October 2024, for customers who have fallen victim to an APP scam, don't apply here. This is because the payment was by card. Also, it was to pay for cryptocurrency.*
- *Regarding efforts to recover Mr L's loss, card chargeback rules unfortunately don't cover scams. Also, the payments to the scammer went through a crypto exchange, so I don't think Santander could've been expected to recover the funds.*
- *In making my findings, I must consider the evidence that is available to me and where evidence is incomplete, inconsistent or contradictory, as some of it is here, I must reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.*
- *The Payment Services Regulations 2017 (PSR) and FCA's Consumer Duty are relevant here.*

PSR

Under the PSR and in accordance with general banking terms and conditions, banks should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. There's no dispute that Mr L made the payments here, so they are considered authorised.

However, in accordance with the law, regulations and good industry practice, a bank should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

Banks do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions. So, I consider Santander should fairly and reasonably:

- *Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.*
- *Have 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, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers*

from the possibility of financial harm from fraud.

Consumer Duty

Also, from July 2023 Santander had to comply with the Financial Conduct Authority's Consumer Duty which required financial services firms to act to deliver good outcomes for their customers. Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, Santander was required to act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud.

Santander was also required to look out for signs of vulnerability. Whilst I'm sorry to hear about Mr L's difficult circumstances and vulnerability at the time of the scam, I haven't seen any evidence that Santander were aware of this and that Mr L discussed ways to mitigate his concerns.

With the above PSR and Consumer Duty in mind I first considered:

Whether Santander should've recognised that Mr L was at risk of financial harm from fraud or a scam

Mr L hadn't previously made payments to Company C (a well-known crypto exchange) from his account and, in 2024, Santander should've known crypto payments were high risk with their regulator stating that customers risk losing all their money. In addition, they should've known many scams involved crypto payments.

So, considering this, I would've expected the £1,800 payment to have stood out as having a heightened risk and, if a bank doesn't question payments that might be at risk, then it can't fulfil its duty to protect customers. I'm not saying that means it must check every payment out of its customers' accounts. But here, considering Mr L hadn't made any crypto payments and infrequently made large payments, I think Santander ought to have provided an intervention, to address the heightened risk before releasing the payment.

I then considered:

Why Santander didn't take any intervention action and whether they should've put an intervention in place

I contacted Santander as I couldn't see they took any action before releasing the payment. Santander explained that they didn't intervene due to the merchant pulling the payment from Mr L's account and all that they were able to do was a device check which they completed.

I was surprised at this answer, which suggested they could never prevent a card payment, as a bank ought to have systems in place to identify and prevent (through blocking and / or intervention) suspicious payments.

However, Santander also said they could stop payments where device checks fail. So, as this was the only protection action available to them, considering the heightened risk, I would've expected them to have blocked the payment and then immediately contact Mr L to provide education and warn him about the risks of crypto transactions.

I then considered:

What would've likely happened if Santander had intervened in the above way

(blocking and then calling) and whether this would've prevented Mr L's loss

I considered causation. Put simply, whether Santander's failure to warn and intervene caused Mr L's loss.

Although a block may not have stopped the scammers making another attempt to take the payment via Company C, I think more likely than not that an intervention call would've prevented Mr L's loss.

As I can't see that Mr L had previously used Company C or any crypto exchange, I think, more likely than not, that the realisation that his money was going to a crypto exchange, which wouldn't either be controlled by Santander or be a safe place, would've quickly made Mr L recognise it was a scam. Also, Mr L describes how he panicked and immediately had second thoughts upon accepting the payment on his app. So, a call after a payment block would've likely given him more time to reflect on the authorisation he made.

The scammers weren't telling Mr L that bank staff were complicit in a fraud attempt. So, once he had completed identity checks with Santander and been asked the payment purpose, I think he would more likely than not have told them about the call he had received about fraud on his account and a safe account, and the Santander fraud and scam agent would've immediately realised what was happening and taken preventative action blocking payments to Company C.

Having considered the above, I think Santander should've intervened and that an intervention would've stopped Mr L's loss. So, I think Santander are liable here and should provide Mr L with a full refund.

Regarding the poor service Mr L received when he called Santander and received incorrect information, I think Santander's apology and £100 compensation payment is fair and reasonable.

Provisional Decision 2 – dated 25 October 2025

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.

Further to my last correspondence setting out my (first) provisional decision, which I've copied below as an appendix, Mr L agreed with the uphold decision, but Santander didn't. In their submission Santander:

- Reiterated that they couldn't provide additional warnings due to the payment being made by card and not initiated by them.*
- Raised a challenge that the amount wasn't suspicious enough to require intervention and drew my attention back to the excel document they provided which detailed Mr L's historic payments and account balances.*
- Said there was no indication to suggest this payment was part of a scam.*

Having considered Santander's points, further analysed their submissions and looked at everything again, I've found it necessary to revise my provisional decision and not uphold this complaint. I'll explain why and I'm sorry to further disappoint Mr L.

I remain of the opinion that the payment to a crypto exchange was unusual, crypto payments are high risk and interventions, not necessarily automated, are possible on a card payment where it is necessary to protect a customer from financial harm. However, I no longer would expect Santander's fraud and scam prevention system to have triggered any intervention on the £1,800 payment. This is for the following reasons:

- A. In addition to several payments being between £500 and £700, Mr L's transactions included a £5,000 payment five months earlier.*
- B. The £1,800 payment neither drained Mr L's account or significantly impacted the account balance.*
- C. High risk crypto payments are legal, very common and banks such as Santander process thousands of payments each day. So, unless points A or B flagged a risk, the threshold for an intervention would be higher than £1,800 or where there is a suspicious pattern of crypto payments.*

So, having considered the above points, I don't think it would be reasonable to say that Santander's system should've triggered an intervention, and I no longer think Santander should've intervened and are liable for Mr L's loss.

I do genuinely sympathise with Mr L's loss, caused by the cruel scammer, but having looked at everything again I don't think Santander made an error and need to provide Mr L with a refund.

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.

Further to my second non-uphold provisional decision, Mr L expressed disappointment and asked me to reconsider, making further submissions which included the following points:

- £1800 is a significant amount of money.
- The regular monthly rent payments he made of between £500 and £700 didn't bear relevance to an out-of-character transaction to a crypto currency platform. Also, the single large payment made 5 months earlier was to a recognised and respected building society.
- Would he be reimbursed by Santander if his account had been fully drained.
- The sudden transfer of £1,800 to a cryptocurrency platform for the first time occurred when he had an extremely small weekly income.
- Should the fraudsters' two attempted transactions, minutes before, have raised an alarm.
- The transaction was 'pending' in his app and Santander took a while to pick up the phone.
- Santander's staff were all severely lacking in their own understanding and explanation of the difference between the types of scams that a bank would and wouldn't reimburse its customers for. Also, they led him to believe that, in all likelihood, he would receive his money back.

So, I looked again at whether it is fair and reasonable to determine that the £1,800 payment shouldn't have been flagged as suspicious by Santander. I also again considered Santander's compensation payment for poor service.

I genuinely sympathise with Mr L's loss and his distressing experience at the hands of the cruel scammer(s). However, my role is to be impartial and consider the submissions and arguments of both the consumer and business.

As much as I appreciate that £1,800 is a significant amount to Mr L and recognise his frustration, when considering the following factors:

- The significant volume of transactions Santander processes together with their available resource to question certain transactions.
- The difficult balance they have to strike when releasing a payment (risk of fraud and risk of delaying legitimate transactions).
- Crypto transactions, despite having a higher risk, are both legal and common.
- They can't be expected to know:
 - About customer income payments and / or issues unless they are told.
 - What payments relate to such things as rental payments.
- The payments that went out of Mr L's account, such as a £5,000 payment five months earlier.
- The £1,800 didn't drain the account.
- There wasn't a pattern of same day crypto payments indicating a scam.

Although I recognise Mr L could've made more payments had he not become suspicious, I don't think it would be fair or reasonable to say that their system should've flagged an intervention on an £1,800 payment. I would only expect an intervention if the payment had been much larger (over £3,000) or drained the account when there was no previous withdrawal pattern.

So, as much as I sympathise with Mr L's loss and upset, I'm not persuaded that Santander were wrong to allow the payment (that he authorised a merchant to take) to go through. Unfortunately, once authorised it would be unlikely the merchant could reverse it.

Regarding the service issue, I again considered Santander's communications alongside our publicly available guidance, and I'm satisfied that £100 is a fair and reasonable amount of compensation.

So, having considered everything again, I'm very sorry to disappoint Mr L but, for the reasons mentioned above, I'm not asking Santander to provide him with a refund.

My final decision

For the reasons mentioned above, my final decision is not to uphold this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 11 December 2025.

Paul Douglas
Ombudsman