

The complaint

Miss L complains that Santander UK Plc won't refund the money she says she lost to a scam.

What happened

Mrs L signed up to an online casino I will call "M". She deposited funds into her account at M and was using them to play various games. However, when playing one game she reached a point where it appeared she would soon be receiving bonuses/significant winnings when the game crashed. Miss L tried logging back in but could not get back to the game as it had been when it crashed.

Miss L raised this with M and was initially told there had not been any issue with the game, but M later accepted that there had been a technical issue. However, it claimed that Miss L had not lost out financially because of this issue.

Miss L reported M to the Gambling Commission, and also raised her concerns about the payments with Santander. She considers that her circumstances meet the definition of an Authorised Push Payment (APP) scam, and that the funds she sent to M should therefore be refunded to her by Santander.

Santander looked into what had happened, but said Miss L wasn't eligible for a refund as it said this was a private civil dispute between Miss L and M.

Unhappy with Santander's response, Miss L brought her complaint to this service and one of our investigators looked into things. But they agreed with Santander that this was most likely a civil dispute, and so Miss L was not entitled to a refund of the payments she had made. Miss L remained unhappy, she maintains that she has been the victim of a scam. She says that M manipulated its service, and that she was deceived into making payments to M under false pretences as she believed she was paying to play fair games online when that was not the case. She says that M lied to Santander and to her, and that other customers of M have had a similar experience to her.

As the case could not be resolved informally, it's been passed to me for a 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.

Having done so and having thought very carefully about Santander's actions, I agree with the findings set out by our investigator. I do appreciate how disappointing this will be for Miss L but, whilst I'm sorry to hear of what's happened, I don't think I can fairly hold Santander liable for the loss she is claiming.

I'm aware I've summarised this complaint and the relevant submissions briefly, in much less detail than has been provided, and in my own words. No discourtesy is intended by this. In

this decision, I've focussed on what I think is the heart of the matter here. Therefore, if there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I consider is the right outcome. Our rules allow me to do this, reflecting the informal nature of the Financial Ombudsman as a free alternative to the courts.

When considering what is fair and reasonable in this case, I've thought about the relevant rules that were in place at the time these payments were made. From 7 October 2024 onwards, Payment Services Providers in the UK, like Santander, have been bound by the Faster Payments Scheme (FPS) and the CHAPS Reimbursement Rules. Under these rules, most victims of APP scams should be reimbursed – but “private civil disputes” are not covered.

I've therefore considered whether what has happened to Miss L meets the Reimbursement Rules' definition of an APP scam or could more reasonably be classed as a civil dispute. The rules define an APP Scam as:

“Where a person uses a fraudulent or dishonest act or course of conduct to manipulate, deceive or persuade a consumer into transferring funds from the consumer's relevant account to a relevant account not controlled by the consumer, where:

- *The recipient is not who the consumer intended to pay, or*
- *The payment is not for the purpose the consumer intended”*

By contrast, a private civil dispute is defined as a *“dispute between a consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty”*.

So, in order to consider what has happened here as an APP scam, I would need to be satisfied that it involves criminal deception. The evidence for this would therefore need to be convincing.

If this was a scam, or fraud – then banks (including Santander) must follow industry and regulatory guidance, including the Reimbursement Rules, to check certain payments, take steps to protect customers, and to refund payments where the relevant rules say they are liable. But where payments are made to a legitimate business for a legitimate reason, then such principles don't apply. This is then classed as a civil dispute, and for which banks normally have no liability.

Miss L paid M, and I've seen nothing to suggest that this was not who Miss L intended to pay. So, Miss L cannot be said to have paid a recipient she did not intend to pay, as per the definitions above.

Miss L's purpose for the payments was to add funds to her account at M so she could engage in online gaming. And it appears that the funds were added to her account at M and she was able to use some funds for gaming as intended. The issue then is that, during her gaming session, the game froze/crashed and she was unable to complete her gaming session. So, while it is clear that there is an issue here regarding the game crashing during Miss L's session, at heart it appears that Miss L did get what she had paid for. Her purpose for the payments and M's purpose for the payments were aligned. Miss L paid to add funds to her account for gaming, and those funds were added to her account at M and then used for gaming.

And having thought very carefully about all that Miss L has said, and about the evidence provided by all parties to this complaint, I'm not persuaded that the subsequent technical issues affecting the game were the result of any clear intent by M to defraud her, or to not fulfil the purpose they had agreed with Miss L.

I say this for the following reasons:

- M is an established online casino which continues to operate and is licensed by the Gambling Commission, I'm satisfied it is a legitimate business.
- While there are reviews of M which suggest that other customers have also had negative experiences with it, there are also numerous reviews which suggest that other customers are happy with the service it provides and have been able to withdraw winnings.
- Miss L has said that M lied to her about there being no technical issue with the game but I don't consider that the evidence she has provided shows this. The emails I have seen suggest to me that M initially had not seen evidence of a technical issue, but identified there *had* been an issue when it investigated further.
- There has been no comment from the Gambling Commission in response to Miss L's complaint regarding whether M acted improperly.

I acknowledge that the game Miss L was playing did not work as it should have, but that does not constitute any kind of proof that M acted fraudulently here or knowingly misled Miss L about the payments she was making. I don't consider that I have seen any definitive proof to show that M has acted deliberately here to deprive Miss L of funds she is entitled to or otherwise acted with criminal dishonesty. And this service isn't in a position to forensically analyse M's actions here; our role is not to investigate the actions of M, it is to decide whether Santander treated Miss L fairly. And in doing so we must consider the evidence that is before us. And I've not seen persuasive evidence at this time to show that Miss L's circumstances here meet the definition of an APP scam as set out in the Reimbursement Rules.

I know this will be disappointing to Miss L. I appreciate how strongly she feels about this case, but for the reasons I've explained above, Overall, I'm satisfied Santander acted fairly in declining reimbursement. I also can't see any other grounds on which I could say that Santander should fairly and reasonably bear the responsibility for refunding Miss L.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 21 May 2026.

Sophie Mitchell
Ombudsman