

The complaint

Mr S complains that Santander UK Plc is holding him liable for transactions which he says he didn't authorise.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr S says he tried to use his Santander debit card at a cash point and was shown a message stating that the card had been reported as lost or stolen. When he removed the card, he realised it wasn't his. He then checked his account and discovered 44 transactions dated from 11 July 2024 to 19 July 2024 totalling £1,810.34 which he didn't recognise.

He complained to Santander arguing that 32 ATM withdrawals in one day was unusual and should have been flagged. He said he hadn't given his PIN to anyone, and he thought someone might have swapped the card after viewing his PIN.

Santander refused to refund the transactions, but it accepted it didn't log all the transactions at the outset and credited his account with £50 as a gesture of goodwill.

Mr S complained to this service explaining that he wanted Santander to refund the transactions. He was also dissatisfied with the service he received when he reported the loss. He said he last used his card on 11 July 2024, he didn't leave his phone unattended, and he was on holiday in the UK from 12 July 2024 to 14 July 2024.

Responding to the complaint, Santander said there were card transactions which Mr S wasn't disputing both before, during and after the disputed payments, and the card was present each time. It also commented that there was no point of compromise, there were several balance enquiries, and that it's unusual for fraudsters to make small payments, especially given the balance in the account.

Our investigator accepted the number of ATM withdrawals between 11 July 2024 to 19 July 2024 was unusual. She also commented that when Mr S said he was on holiday, there was an ATM withdrawal in a different area, suggesting a third-party was in possession of the card. And that the evidence produced by Santander showed the PIN was entered correctly for all the ATM withdrawals and card payments, apart from once on 14 July 2024. She was satisfied that this meant a third party would have known Mr S's PIN.

She explained that it was difficult to pinpoint how a third party had managed to gain access to the PIN and so even though she wasn't persuaded that he'd authorised the transactions, the only other explanation would be if he'd written it down or told someone, which would be gross negligence. So, she couldn't ask Santander to refund the ATM withdrawals or the card payments.

However, our investigator acknowledged that some of the card payments were contactless, meaning there was no requirement for any additional security measures such as the use of

Chip and PIN, therefore a third party could have used the card without Mr S's authorisation. So, she was satisfied Mr S didn't authorise these payments and she recommended that Santander should refund the contactless card payments.

Finally, our investigator explained she'd listened the calls and she was satisfied Santander's call handlers were professional and acted correctly. She noted it had given Mr S £50 for poor service and giving incorrect information and she was satisfied that was fair.

Mr S asked for his complaint to be reviewed by an Ombudsman, maintaining that he didn't write the PIN down anywhere.

My provisional findings

I issued a provisional decision on 10 September 2025, in which I stated as follows:

Authorisation

Authorisation has two limbs – authentication and consent. So, Santander needs to show the transactions were authenticated as well as showing Mr S consented to them.

The ATM withdrawals and card payments

Santander has been able to show that both the ATM withdrawals and the card payments were made using Mr S's debit card and PIN – which was entered correctly on all but one of the transactions. So, I'm satisfied they were authenticated.

There were 32 ATM withdrawals and 4 card payments, some of which occurred when Mr S says he was on holiday, so I accept they were mostly likely made by a third-party. Mr S has said the PIN wasn't with the card, and he didn't share it with anyone. But as the transactions were made using the card and PIN, I'm satisfied that whoever used the card must have known the PIN and used it to carry out the withdrawals, and the balance enquiries.

Mr S maintains he didn't write down the PIN, but he hasn't indicated a plausible point of compromise - he said he went out the night the transactions began, and he thought someone might have seen him input his PIN. But the transaction was completed using contactless, so this wasn't an opportunity for a fraudster to see his PIN. So, I think it's most likely that the ATM withdrawals and card payments were done by someone to whom he had disclosed the PIN.

To uphold the complaint, I'd have to conclude that there was an explanation for how someone came to know the PIN and have access to the card without Mr S's consent. Unfortunately, I don't think there is. In addition, the transactions are low value, which isn't consistent with what I would expect from an intentional act of deception.

So, having carefully considered the circumstances and the available evidence, I'm satisfied the ATM withdrawals and card payments were most likely made with Mr S's consent.

The contactless card payments

Our investigator has recommended that Santander should refund the contactless card payments on the basis that a third party using the card without Mr S's consent wouldn't have needed to use a PIN to authenticate the transactions. But the having found that the ATM withdrawals and card payments were most likely made with Mr S's consent, I'm unable to conclude that the contactless payments were made without that consent. Especially as the

contactless card payments are interspersed with the transactions that I'm satisfied were authorised.

As I've concluded that the card was in possession of someone who had Mr S's consent to use it and there's no evidence that that consent was withdrawn at the point the contactless card payments were made, I'm satisfied that whoever made the payments had Mr S's consent to make them too.

Overall and having carefully considered the circumstances, I think it's most likely that the transactions were performed by a third party to whom Mr S gave consent to use his card and PIN.

Compensation

I've considered whether Mr S is entitled to any compensation, and I don't think he is. Santander accepts there were issues with communication when Mr S first reported the disputed transactions and paid £50 as a gesture of good will. I'm satisfied that's fair.

Developments

Mr S has made additional comments in response to my provisional decision.

He wants confirmation that the relevant evidence concerning a potential card swap was properly investigated, including asking the owner of the card if they were a victim of fraud. He maintains the account activity was highly unusual compared to his normal usage and that this is strong evidence that the card was compromised. He has also argued that there is no evidence to back up the comment that it is unusual for fraudsters to make small payments, arguing that fraudsters often make lots of small withdrawals to avoid detection.

And he doesn't accept the fact the PIN was entered correctly is evidence that the transactions were authorised because fraudsters have many ways to get hold of a PIN including skimming devices, hidden cameras, phishing, and card swapping.

Santander has indicated that it is still happy to refund the contactless payments, but the interest will be calculated from the date of the transactions to 3 October 2024, when it first agreed to refund them.

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.

Mr S has said from the outset that he realised his Santander debit card had been stolen when he found himself in possession of someone else's card. Santander has said there was no evidence that the third-party account had been flagged as fraudulent. I can't compel Santander to ask the owner of the card if they'd been a victim of fraud, but I accept it's plausible that a fraudster might have swapped Mr S's card with another card to delay the reporting of the theft.

However, in my provisional decision, I commented that it's most likely that the transactions were made by a third party who was in possession of the PIN, and that there is no explanation for how someone came to know the PIN and have access to the card without Mr S's consent. I maintain that position.

Mr A told us he went out the night the disputed transactions began, but the evidence I've seen shows he used either Apple Pay or contactless payments, so there was no point of compromise. If I were to accept the PIN was compromised at some earlier point, I would then have to accept that a third party who went to the trouble of obtaining the PIN and swapping the card to avoid detection then waited until 11 July 2025 to begin spending on the card, yet they only made low value transactions and didn't drain the account.

I understand Mr S will be disappointed, but I maintain my position that this isn't consistent with the card having been used fraudulently and that it's most likely that the transactions were performed by a third party to whom Mr S gave consent to use his card and PIN.

My final decision

For the reasons I've outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 22 December 2025.

Carolyn Bonnell
Ombudsman