

The complaint

Mr S complains Santander UK Plc won't refund all of the loss he incurred due to a scam.

What happened

The details of this complaint are well known to both parties, so what I've set out below is just a summary of the key events.

Mr S thought he was dealing with a travel agent who he had used previously, and that they were booking flights for him and his family. Unfortunately, he was actually dealing with a scammer. During the course of the scam, the following payments were made from Mr S's Santander credit card. All were sent to "N", a genuine travel company:

Payment number	Date	Amount
One	11/07/2025	£1,558.32
Two	11/07/2025	£1,708.32
Three	11/07/2025	£1,434.44
Four	11/07/2025	£1,434.44

Mr S says he agreed to/confirmed the first two payments within the Santander app on the understanding he was paying for the flights. He was told payment one was for the wrong amount, which is why he had to approve the second payment. While he also approved payments three and four in-app, he has explained he believed he was authorising a refund due to the alleged pricing error.

Shortly after, Mr S reported to Santander that he had been scammed. It ultimately agreed to refund payments three and four, but not the first two payments. Unhappy that he was left out of pocket, Mr S referred the matter to our service.

Our Investigator didn't uphold Mr S's complaint. They were satisfied the unrefunded payments should be treated as authorised, and didn't think Santander had missed a reasonable opportunity to prevent, or recover, Mr S's outstanding loss.

Mr S has appealed the Investigator's outcome. In brief, he says the payments were still pending when he reported the scam so Santander should have blocked all of them. He also says Santander should refund him as he was the victim of a scam and it should have done more to protect him – including through its obligations under section 75 of the Consumer Credit Act 1974 and the chargeback scheme.

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've decided not to uphold it. I do appreciate this will be disappointing for Mr S, who has clearly lost out due to the actions of the scammers. However, having carefully considered all the circumstances, I don't think Santander holds further liability for his loss. I'll explain why.

Were the payments authorised?

It seems likely the scammers initiated payments one and two – using the card details Mr S had provided them (on the understanding they would be charging him for the flights). But it's also clear that, in 'approving' payments one and two in-app, Mr S knew he was agreeing for those payments to be taken – even though tricked about what they were for.

In the circumstances, I'm persuaded these payments should be deemed authorised. As firms have a primary duty to process authorised payment instructions, that means Mr S is presumed liable for these payments in the first instance.

Should Santander have prevented Mr S's loss?

I do appreciate that, while Mr S approved these payments, he did so due to being tricked by a scammer. Santander isn't automatically liable for Mr S's loss due to him falling victim to a scam. But in line with longstanding regulatory expectations and requirements and good industry practice, I'd expect Santander to have been on the lookout for indications of fraud risks. If it failed to respond proportionately to such a risk, and doing so would have prevented Mr S from incurring a fraudulent loss, it may fairly hold some liability for this.

However, bearing in mind that Santander has already refunded payments three and four, I don't think it was remiss that it allowed payments one and two to be processed. They were sent to a genuine merchant and confirmed in-app, which made it appear less likely they were connected to fraud. And I don't think the payments otherwise looked so uncharacteristic that Santander ought to have suspected they were the result of a scam – and to therefore have completed further checks before deciding whether to process them.

I know Mr S is unhappy that Santander couldn't block/prevent all the payments, noting they were still pending when he reported the scam. However, as the process for authorising the payments had been completed, Santander didn't have any grounds or mechanism to stop them. That's because Mr S had already provided his authority to the merchant to take them.

It's common for card payments to show as pending while the merchant collects them. I appreciate this can cause confusion. But Santander couldn't have taken action to stop these payments from being taken. Having listened to Mr S's contact with Santander when reporting the scam, I also think it made this point clear. It explained it couldn't block the payments. While it did say it could try to dispute them once collected, it still cautioned it couldn't guarantee the payments would be refunded.

Therefore, while it's clear the funds were lost to a scam, I don't think Santander can fairly be held at fault for not preventing payments one or two. But I've gone on to consider its actions once the payments were completed.

Should Santander have recovered Mr S's loss?

Payments made by card are covered by the chargeback scheme – allowing for payments to be recalled from the merchant paid in some limited circumstances, based on rules set by the card scheme provider.

As the scheme is voluntary, businesses aren't obliged to raise chargeback claims for any payment dispute reported. I wouldn't reasonably expect Santander to have pursued claims about these payments *unless* it appeared likely they would succeed under the scheme's rules and requirements.

Here, I agree with the Investigator that it's unlikely chargeback claims could have been pursued successfully. The way in which they were authenticated in-app precluded them from meeting the requirements for a fraud claim. While there is also an option to claim for payments due to the merchant not providing the services, I don't think a claim on this basis would have succeeded either.

The chargeback scheme considers claims against the merchant paid – in this case N, a genuine travel company. As is common in scams like this, it appears N did provide the expected service in exchange for the payments received, just not to Mr S – as the scammers tricked him into making the payments for their benefit. The chargeback scheme would be looking at the actions of N rather than the scammers, so I can't see this would have given rise to a successful claim.

I appreciate Mr S has suggested this approach is speculative. However, our service makes decisions on the balance of probabilities. And what we're determining is whether any faults by the business caused the consumer to lose out. As I don't think it's likely that pursuing these claims further would have resulted in the payments being recovered, I don't think Santander can fairly be held liable on this basis.

Mr S has also suggested that Santander should accept liability under section 75 of the Consumer Credit Act 1974. Broadly, this allows the borrower to claim against the credit provider for a breach of contract or misrepresentation by the supplier in some circumstances. But claims can only be made for valid "debtor-creditor-supplier agreements".

Here, the "debtor" is Mr S. But he has no contractual relationship with the supplier ("N", a genuine travel company who there is no suggestion failed to fulfil its contractual duties). I therefore don't think there would be grounds to pursue a claim on this basis.

I appreciate this will be disappointing for Mr S, as he is still left out of pocket due to a scam. However, I'm not persuaded Santander unfairly prevented him from being able to recover his outstanding loss.

Overall, I don't think Santander made any errors which caused or contributed to Mr S's outstanding loss. Thinking about its obligations in circumstances like this, I'm satisfied it has treated Mr S fairly. I've therefore decided not to direct Santander to reimburse his outstanding loss – or otherwise compensate him in relation to this complaint.

My final decision

For the reasons given above, my final decision is that I do not 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 18 May 2026.

Rachel Loughlin
Ombudsman