

The complaint

Mr L complains that Santander UK Plc won't refund the money he lost when he was the victim of what he feels was a scam.

What happened

In early 2021, a business client of Mr L's told him about an opportunity to invest in property development. Mr L was told he would loan the person money in order to finish a housing project, and that he would receive interest on this loan, paid quarterly. And after speaking with other people who said they had invested with the person and received repayments, being shown evidence of the person's assets and signing a contract, Mr L agreed to invest.

Mr L then made a number of payments from his Santander account to account details he was given for the person, as set out below:

Date	Amount
15 June 2021	£1
15 June 2021	£20,000
16 June 2021	£20,000
17 June 2021	£17,499
11 November 2021	£25,000
12 November 2021	£25,000
13 November 2021	£10,000

Mr L received the first quarterly interest payment as he was told he would. But unfortunately, he then didn't receive any further interest payments, or his original invested funds back. He then found out the person's account had been frozen and they had moved abroad. So Mr L suspected he had been the victim of a scam and asked Santander to refund the money he had lost.

Santander investigated but said this appeared to be a civil dispute between Mr L and the person he had loaned the money to, rather than a scam. So it didn't agree to refund the payments he had made. Mr L wasn't satisfied with Santander's response, so referred a complaint to our service.

I sent Mr L And Santander a provisional decision on 7 November 2025, setting out why I wasn't intending to uphold the complaint. That provisional decision forms part of this final decision and is copied below:

"In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. However, where the customer made the payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payment.

Santander was a signatory of the Lending Standards Boards Contingent Reimbursement Model (the CRM code). This required firms to reimburse customers who had been the victim of certain types of scams, in all but a limited number of circumstances. But customers are only covered by the code where they have been the victim of a scam – as defined in the code.

The relevant definition of a scam from the CRM code is that the customer transferred funds to another person for what they believed were legitimate purposes but were in fact fraudulent.

The CRM code also says it doesn't apply to private civil disputes, such as where a customer has paid a legitimate supplier for goods or services but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier.

So in order to determine whether Mr L has been the victim of a scam as defined in the CRM code I need to consider whether the purpose he intended for the payments was legitimate, whether the purposes he and the person he loaned the money to intended were broadly aligned and then, if they weren't, whether this was the result of dishonest deception on the part of the person.

But I'm not satisfied the evidence I've seen shows that the person Mr L loaned the money to intended a different purpose for the payments than Mr L, or that Mr L's and the person's purposes for the payments weren't broadly aligned.

Mr L has said he was told his money would be used to finish a housing project. But I've not seen any clear evidence which shows that the person he sent the money to either didn't, or didn't intend to, use his money for this purpose.

I appreciate that Mr L didn't receive all of the interest payments he was told he would, and didn't receive the capital he had invested back. But investments can fail or not produce the intended returns for a number of reasons, that don't necessarily mean the person running them intended to operate a scam.

Mr L did receive the first quarterly interest payment he was told he would, which was for a significant amount and was received three months after the initial payment he made towards the investment. But I wouldn't usually expect someone operating a scam to return this amount of money to a victim, and so long after the initial payments they made.

Mr L has also said the person he sent the money to had been a business client of his for a number of years, and had always paid his invoices on time and without issue. He's also said he had met them in person on several occasions, as well as had a number of video calls with them. But I wouldn't expect someone intending to operate a scam to have had this kind of previous business relationship with a victim.

And Mr L has said he spoke to a number of other people who had invested with the person and received returns, one of whom was his business partner. But I also wouldn't expect someone operating a scam to be able to arrange these kind of personal recommendations.

Mr L has also said he was shown evidence of the person's assets before he agreed to invest. And he was sent contracts to sign about the investment, which appear to be relatively professional. And I wouldn't necessarily expect a scammer to arrange this kind of evidence or paperwork.

And while Mr L has suggested that the person he sent the money to is connected to another individual who is known to be a fraudster, I haven't seen any evidence that the investment

Mr L thought he was making was connected to this other person or that Mr L's money was subsequently forwarded on to or used for the benefit of this other person.

I also haven't been provided with evidence of any investigation by an external organisation which concludes that the person Mr L sent the money to was operating a scam in relation to the payments Mr L made.

So I'm not persuaded that the available evidence is sufficient to safely conclude that the person Mr L sent the money to intended a different purpose for these payments than the purpose Mr L intended. And so I think Santander has acted reasonably in saying the circumstances here don't meet the definition of a scam from the CRM code, and in not agreeing to refund the money Mr L lost from these payments as a result.

I sympathise with the position Mr L has found himself in and I appreciate that he has lost a significant amount of money. I'm also in no way saying he did anything wrong or that he doesn't have a legitimate grievance against the person he sent the money to. But I can only look at Santander's responsibilities here and, for the reasons I've explained above, I don't think it would be fair to hold Santander responsible for the money he has lost."

I said I'd consider anything further Mr L and Santander sent in following the provisional decision, provided it was received by the deadline given.

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.

Santander didn't respond to the provisional decision by the deadline given.

Mr L responded, disagreeing with the provisional decision and arguing that it appeared to be common knowledge across the industry that the person he sent the money to was a fraudster. He provided several examples of other complaints with our service where people who paid the man he sent money to received refunds and questioned whether our service had reviewed information relating to the account he sent the money to.

And I've reviewed all the information Mr L provided, both in response to the provisional decision and his initial submission of this complaint. But I still think the conclusions I set out in the provisional decision are correct, and for the same reasons.

Our service did receive information relating to the accounts Mr L made the payments to, which I have reviewed. And while I can't share any details of this evidence, I don't think it suggests the accounts were being used to operate a scam.

I also understand Mr L feels other people in similar circumstances to him have been refunded. But our service looks at each complaint separately, on its own merits. I can't comment here on any other cases that have been brought to our service or on why their circumstances may be different to those of this case. But I have reviewed the information he has sent us and I am still satisfied that the conclusions I set out in the provisional decision are a fair and reasonable outcome in the circumstances of this case.

I still think Santander has acted reasonably in saying the circumstances here don't meet the definition of a scam from the CRM code. And so I still I don't think it would be fair to hold Santander responsible for the money Mr L has lost.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 30 December 2025.

Alan Millward
Ombudsman