

The complaint

Mr L is being represented by solicitors. He's complaining about Santander UK Plc because it declined to refund money he lost as a result of fraud.

What happened

Sadly, Mr L fell victim to an investment scam after someone he'd been chatting to online introduced him to a fake investment scheme. Between 4 September and 18 October 2022 he made seven payments totalling £16,500 to two cryptocurrency exchanges, after which the cryptocurrency purchased was transferred to the scammers. There was another payment on 29 September that was refunded by the cryptocurrency exchange the next day. Mr L also appears to have received a return of £85 from the scam on 7 September but I understand the rest of the money was lost.

When Mr L tried to make further payments to cryptocurrency from 20 October, these were blocked by Santander and he was called in to a branch to speak to staff and the police about the payments he'd been making.

Our investigator didn't recommend the complaint be upheld. She didn't feel further intervention by Santander was necessary before it began blocking payments. And based on the evidence provided, she didn't think further intervention by the bank at an earlier stage would have stopped Mr L from wanting to make the payments anyway.

Mr L didn't accept the investigator's assessment. His representative explained why these payments should have appeared unusual to the bank and then made some general points about the inadequacy of bank fraud interventions. Mr L also contacted the investigator himself and said the following:

. . . it may not have been a scam and I did say this to the bank manager and the fraud team at the time, maybe if the bank had let the last payment go through I might have got my money back but they didn't let it go through and therefore the bank lost me my money it's just one of life's mysteries. They only surmised it was a scam and by putting the block on my account made me lose my money.

The complaint has now been referred to me for review.

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 reached the same overall conclusions as the investigator. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

There's no dispute that Mr L authorised these payments. In broad terms, the starting position at law is that a bank is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, '*authorised*' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Santander also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Santander acted fairly and reasonably in its dealings with Mr L.

The payments

I must take into account that many similar payment instructions Santander receives will be entirely legitimate and I also need to consider its responsibility to make payments promptly.

Nonetheless, Santander has confirmed that it did ask Mr L to confirm the purpose of some of the payments and showed written warnings based on the answers he gave. Having considered what it knew about the payments at the time, I think this was a reasonable response at that stage. As Mr L tried to make further payments after 18 October these were declined and any further loss prevented as a result.

I appreciate Mr L's representative may feel that a more robust intervention was required at an earlier. But even if I were to agree that a human intervention was warranted and that the bank should have called him at some point to discuss the payments for example, I don't think it's likely this would have stopped him wanting to make them.

In making this complaint, Mr L's representative explained in some detail why he believed the scam was genuine and that he formed a '*strong emotional bond*' with the scammer, which I believe is evidenced by the extensive history of their communications that's been provided. It also explained that he was coached on how to answer any questions he was asked by the bank. Further, as his recent correspondence with the investigator shows, Mr L appears to still question whether this was actually a scam. If he's not convinced of that now, even after attending a branch and speaking to police, I think it's unlikely that a call with the bank at the time would have persuaded him to stop making payments.

I want to be clear that it's not my intention to suggest Mr L is to blame for what happened in any way. All the evidence indicates he fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why he acted in the way he did. But my role is to consider the actions of Santander and, having done so, I'm not persuaded these were the cause of his losses.

Recovery of funds

As Mr L transferred money to an account in his own name, he's not eligible for a refund under the industry's reimbursement scheme for authorised push payment (APP) fraud. But I've also looked at whether Santander could or should have done more to try and recover his losses once it was aware that the payments were the result of fraud.

Mr L transferred funds to legitimate cryptocurrency accounts in his own name. From there, he purchased cryptocurrency and moved it onto a wallet address of his choosing (albeit on the scammers' instructions). Santander could only try to recover the funds from his own account and it appears all the money had already been moved on. If not, anything that was left would still have been available to him to access.

As one of the payments was made by card, I've considered whether Santander should have tried to recover the money through the chargeback scheme. But I'd only expect it to have raised a chargeback claim if it was likely to be successful and it doesn't appear that would have been the case here. Mr L paid a legitimate cryptocurrency exchange and received a service that involved changing his money into cryptocurrency before sending it to the wallet address he supplied it with. His disagreement is with the scammers, not the cryptocurrency exchange, and it wouldn't have been possible to process a chargeback claim against the scammers as he didn't pay them directly.

In the circumstances, I don't think anything that Santander could have done differently would likely have led to these payments being successfully recovered.

In conclusion

I recognise Mr L has been the victim of a cruel scam and I'm sorry he lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I don't think any further intervention by Santander would have made a difference to the eventual outcome and I won't be telling it to make any refund.

My final decision

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 L to accept or reject my decision before 19 March 2026.

James Biles
Ombudsman