

## The complaint

Mr M complains that Santander UK Plc ('Santander') won't refund him the money he lost after he fell victim to an Authorised Push Payment ('APP') job task scam.

## What happened

The background to this complaint is well known to both parties, so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

In or around October 2024, Mr M came across and was subsequently contacted about a job opportunity. He was told the job involved carrying out tasks online, generating him earnings. Believing everything to be genuine Mr M proceeded, but unknown to him at the time, he had been contacted by fraudsters. The fraudsters then persuaded Mr M to pay his own money in order to proceed with the work.

To facilitate the payments, Mr M sent funds from his Santander account to a cryptocurrency account in his own name that I'll call 'C'. Once Mr M's funds had been transferred into cryptocurrency, he subsequently moved them onto accounts that the fraudsters controlled.

Mr M used his Santander account to make the following payments as part of the scam;

Payments	Date	Time	Type of transaction	Amount
	09/10/2024		Credit in	£5
	09/10/2024		Credit in	£9
1	10/10/2024	6.09pm	Cryptocurrency platform – 'C'	£20
	10/10/2024		Credit in	£34
2	11/10/2024	5.46pm	Cryptocurrency platform – 'C'	£30
3	11/10/2024	6.24pm	Cryptocurrency platform – 'C'	£21
	11/10/2024		Credit in	£42
	11/10/2024		Credit in	£40
4	12/10/2024	8.16pm	Cryptocurrency platform – 'C'	£100
5	14/10/2024	7.58pm	Cryptocurrency platform – 'C'	£294
6	15/10/2024	7.25pm	Cryptocurrency platform – 'C'	£780
7	18/10/2024	10.37am	Cryptocurrency platform – 'C'	£2,000
8	26/10/2024	6.23pm	Cryptocurrency platform – 'C'	£1,234
9	20/11/2024	10.07am	Cryptocurrency platform – 'C'	£2,140
			<b>Total loss:</b>	<b>£6,619</b>

Mr M realised he'd been scammed when he was asked to pay larger sums by the fraudsters to withdraw his earnings with a variety of reasons/excuses being provided to him. Despite paying the amounts, he was still unable to withdraw any of his 'earnings/returns'.

Mr M raised the matter with Santander, but it didn't agree it was liable to reimburse him. In summary, it said neither the Contingent Reimbursement Model ('CRM') Code nor the Faster Payment Scheme – Reimbursement Rules ('Reimbursement Rules') – which provide some protection and reimbursement to some victims of APP scams – were applicable considerations. And this was because both the CRM Code and Reimbursement Rules require a customer to transfer funds to an account in another person's name. And here the payments Mr M made were to an account in his own name. Santander also considered it wasn't the point of loss and Mr M should contact the other financial institutions involved.

Unhappy with Santander's response, Mr M brought his complaint to this service. One of our Investigators looked into things and thought the complaint should be upheld in part. In summary, our Investigator thought Santander ought to have recognised that Mr M could be at a heightened risk of financial harm when he made payment seven in the table above (the payment for £2,000 on 18 October 2024). Our Investigator thought Santander should have intervened at this point and had it of done and had it of warned Mr M, it would have made a difference and Mr M wouldn't have gone ahead with the payment. So, they considered Santander could reasonably have prevented Mr M's loss.

But our Investigator also thought Mr M should bear some responsibility for his loss. In summary, this was because they thought there was enough going on that ought to have led him to have some concerns about the legitimacy of things and what he was being asked to do/pay. Overall, our Investigator thought Santander should refund Mr M 50% of his loss from Payment seven, along with interest. And our Investigator recommended, within the redress payable to Mr M, that Santander deduct the credits Mr M had received.

Mr M agreed with our Investigator's view. But Santander disagreed.

In summary Santander advised:

- The payments weren't unusual when compared to Mr M's account activity.
- The payments to C were made over several weeks.
- Mr M had received several credits back which it believes indicated he could do withdrawals from his cryptocurrency account.
- It provided a scam warning that was relevant to the payment purpose Mr M selected.
- By the time the Investigator recommended it should have intervened, Mr M had made payments to C for some time and Mr M had also previously moved money in and out of accounts in his own name. So, it considered it had no grounds to suspect the payment mandate was not trusted and there was nothing to suggest this was a scam.
- C is a regulated company, and customers genuinely invest in cryptocurrency.
- It has not had site of Mr M's cryptocurrency account to understand what happened to the funds after they entered his wallet, and if/how they were potentially lost.
- It acted in line with industry standards while following the customers instructions to transfer money and Mr M paid funds to an account in his own name which he had full access and control of.
- Our service's position is untenable given the 2023 Supreme Court judgement in the case of Philipp v Barclays.

Our Investigator broadly responded to the points Santander raised and set out why it didn't change their opinion.

Santander responded further, adding:

- That the payments went to/through a UK-based clearing bank that provides banking and payment services, especially for fintech companies and businesses. And it is one of the five major clearing banks in the UK. While the clearing bank may offer services to Cryptocurrency merchants it is not registered as a cryptocurrency firm, and Santander can only implement cryptocurrency limits where it can be identified as the beneficiary and in this case the beneficiary institution was the clearing bank.
- From the information Santander's systems held the money was going to the clearing bank, a registered company, it was an open banking payment, meaning it was set up with the beneficiary who requested the funds from Santander, the name on the account matched the account holder so it knew it was going to its customer's account and the amounts were like previous genuine payments.
- Santander processes thousands of genuine payments daily to cryptocurrency companies from customers who are not making them as part of a scam. It does not feel that the payments in this case were suspicious to have flagged.
- The payments were also processed weeks apart, not in quick succession as is often a hallmark of a cryptocurrency scam.
- The payments have also been made after the introduction of the Reimbursement Rules which clearly excludes me-to-me transfers, and the last bank (here the clearing bank) in the payment journey where the loss actually occurred from would be responsible for any reimbursement.

Our Investigator considered Santander's points, and in short highlighted that Santander's own submissions showed it knew the destination of the payments was to a cryptocurrency provider and Santander ought to have intervened – and even if a customer is making a payment to 'their own account' they can still be at potential risk of financial harm from scams. Here they considered Santander knew the destination was cryptocurrency and a pattern was forming that was consistent with its customer falling victim to a scam.

As agreement couldn't be reached, the complaint has been passed to me for a final decision.

While the complaint was awaiting a final decision, Santander provided further comments for consideration.

Santander advised:

- It is from the clearing bank account that funds were sent to the fraudster, and the clearing bank are subject to the Reimbursement rules. It argues that Mr M might be entitled to a 100% refund by raising a claim with the clearing bank, and so the Investigator's view disadvantages Mr M by not directing his claim to the correct bank. Whereas through this complaint Mr M is only likely to receive 50% on some of the payments, yet he could receive 100% from a claim with the clearing bank. The clearing bank is the sort code and account provider that Mr M paid. And as a regulated bank, the clearing bank is obligated to comply with the Reimbursement rules and will be responsible for reimbursing customers in eligible APP scam cases.

As the matter wasn't resolved, it was referred to me to review and make a final decision on the outcome of Mr M's complaint.

I considered the complaint and issued a provisional decision in which I reached the same outcome to that of our Investigator but wanted provided additional reasoning.

In summary I thought that Santander should have prevented Mr M's loss from and including Payment seven. I considered the pattern and frequency of the payments including the value of the payments increasing represented a significant departure from how Mr M typically operated his account and presented a potential risk when considering the destination of the payments – that being identifiably to a cryptocurrency exchange platform.

I thought a proportionate intervention would have been for Santander to contact Mr M to establish further details around the payments Mr M was making. Had it done I was satisfied that Mr M would have answered any questions about the purpose of his payments candidly and it would have become apparent to Santander that Mr M was making payments to purchase cryptocurrency in relation to a job. And Santander ought to have been alive to the fact that Mr M was likely falling victim to a job task scam and therefore given him strong, tailored warnings about proceeding.

I was satisfied that timely intervention at Payment seven would have prevented Mr M's losses. I also considered Mr M should bear some responsibility for his losses – making a deduction of 50%.

With regards to the redress I considered was owed, I took into account the returns Mr M received and apportioned them across all of the payments Mr M made towards the scam and took into account Mr M's responsibility also – calculating the overall reimbursement due to Mr M was £2,634.23. I also considered Santander need to pay 8% simple interest on that amount from the date of payments to the date of settlement.

Both parties had until 17 December 2025 in which to respond to my provisional decision and provide any more comments and evidence they wished for me to consider.

Mr M accepted my findings. Santander responded disagreeing. In summary, it reiterated:

- That it was not reasonable for Santander to have detected Payment seven.
- It does not believe the payments were unusual compared to Mr M's banking history.
- There was 11 days between the first payment and Payment seven, and within that time Mr M made several small payments and received several credits – which it considers supports the account being genuine and would appear that Mr M was receiving profits.
- There was nothing about the payment which would have appeared fraudulent to the bank.
- Thousands of customers genuinely invest in cryptocurrency.
- The payments are not covered by the Reimbursement Rules of the CRM Code.
- There is no regulatory reason to compel Santander to refund the loss.
- The loss did not occur with Santander and were lost when the funds were removed from the other account.
- The Payment Service Provider (PSP) where the funds were lost should be responsible for reviewing any claim and should also bear some responsibility for the loss.

### **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.

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Having done so, I see no reason to depart from my provisional findings. While Santander responded to my provisional decision – the comments and points raised are a reiteration of the points it had raised within its submissions to this service and in its responses to the Investigator's view. My provisional decision set out, in detail, my findings on those points. So, as no new material evidence or arguments have been raised that need considering, I will reiterate my findings below.

*“In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.*

*It isn't in dispute that Mr M authorised the payments he made to the scammers. And the starting position is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made.*

#### The Supreme Court case of Philipp v Barclays Bank UK PLC

*Santander has also referred to the Supreme Court case of Philipp v Barclays Bank UK PLC. As Santander ought to be aware, as it has had a number of decisions from the Financial Ombudsman on this issue, that while the court case said that banks have to promptly make payments that their customers instruct them to make, the judgement doesn't prevent banks from making fraud related enquiries or providing warnings.*

#### Mr M's Santander account not being the 'point of the loss'

*Regarding Santander's comments that it wasn't the 'point of loss' as the funds went to an account in the control of Mr M. Santander should also be aware of the increase in multi-stage fraud, particularly involving cryptocurrency when considering the scams that its customers might become victim to. Multi-stage fraud involves money passing through more than one account under the consumer's control before being sent to a fraudster. Our service has seen a significant increase in this type of fraud over the past few years – particularly where the immediate destination of funds is a cryptocurrency wallet held in the consumer's own name.*

#### FCA's Consumer Duty and foreseeable harm

*I would also add that since 31 July 2023, under the FCA's Consumer Duty, regulated firms (like Santander) must act to deliver good outcomes for customers (Principle 12) and must avoid causing foreseeable harm to retail customers (PRIN 2A.2.8R). Avoiding foreseeable harm includes ensuring all aspects of the design, terms, marketing, sale of and support for its products avoid causing foreseeable harm (PRIN 2A.2.10G). One example of foreseeable harm given by the FCA in its final non-handbook guidance on the application of the duty was “consumers becoming victims to scams relating to their financial products for example, due to a firm's inadequate systems to detect/prevent scams or inadequate processes to design, test, tailor and monitor the effectiveness of scam warning messages presented to customers”.*

Santander's concerns that it hasn't had sight of the cryptocurrency account to establish an actual loss

Mr M has provided his statements which show that he converted and sent on his funds to the wallet address provided by the fraudsters – so I am satisfied that Mr M has indeed suffered a loss here.

The Reimbursement Rules

Santander has also referenced that Mr M should raise his complaint with the clearing bank. However, Mr M has made a complaint about Santander's actions which he is entitled to do. Here Mr M did complain to the clearing bank, but he didn't have an account with the clearing bank – he had an account with the cryptocurrency exchange provider who held the account with the clearing bank. The clearing bank provided agency banking services to its customer – the cryptocurrency exchange provider 'C'. So, Mr M didn't have a claim that he could raise and not one that would be considered under the Reimbursement Rules, which requires funds to be sent from his account at the clearing bank (which Mr M didn't have) and to be sent via the Faster Payment scheme or via CHAPS. That wasn't the case here, given the fiat funds were simply received into C's account with the clearing bank, enabling them to be converted into cryptocurrency and then sent on.

The relevant considerations in determining this complaint

Overall, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in October 2024 that Santander should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Santander sometimes does); and
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

Should Santander have recognised that Mr M was at risk of financial harm from fraud?

It isn't in dispute that Mr M has fallen victim to a cruel scam here, nor that he authorised the payments to the cryptocurrency account in his own name (from where he exchanged the fiat currency into cryptocurrency and subsequently transferred this to the scammers).

*By October 2024, when these transactions took place, firms like Santander had been aware of the risk of multi-stage scams involving cryptocurrency for some time. Scams involving cryptocurrency have increased over time. The FCA and Action Fraud published warnings about cryptocurrency scams in mid-2018 and figures published by the latter show that losses suffered to cryptocurrency scams have continued to increase since. They reached record levels in 2022. During that time, cryptocurrency was typically allowed to be purchased through many high street banks with few restrictions.*

*By the end of 2022, however, many of the high street banks had taken steps to either limit their customer's ability to purchase cryptocurrency using their bank accounts or increase friction in relation to cryptocurrency related payments, owing to the elevated risk associated with such transactions. These restrictions – and the reasons for them – would have been well known to Santander and across the industry.*

*So, taking into account all of the above I am satisfied that by the end of 2022, which is considerably prior to the payments Mr M made in October 2024, Santander ought fairly and reasonably to have recognised that its customers could be at an increased risk of fraud when using its services to transfer funds to cryptocurrency exchange providers, notwithstanding that the payment would often be made to a cryptocurrency wallet in the consumer's own name.*

*With all of this in mind, I agree with our Investigator's view, and broadly for the same reasons. I'm persuaded Santander ought to have intervened in the payments being made by Mr M and that the point at which Santander ought to have stepped in is payment seven.*

*By this point I think there were enough characteristics of potential fraud that Santander needed to make an intervention to establish some further context about the payments Mr M was making and to have provided him with a tailored warning. I say this as a clear pattern was emerging. The payments were identifiably going to a cryptocurrency account which Santander would have known, the amounts were in fairly quick succession – it was the fourth payment to the cryptocurrency account within seven days, and importantly the amounts were of increasing value each time.*

*From looking at Mr M's statements in the months leading up to the scam, it is typically used for lower value transactions, with any larger transactions most often being to/from existing payees. Mr M hadn't made previous payments to cryptocurrency accounts, and the pattern was clearly indicative of Mr M potentially being at risk of financial harm from fraud.*

*Overall, I'm persuaded there is a compelling argument that Santander should have become concerned about what was taking place. So, I do think Santander should have intervened when it received the instruction for payment seven and declined or delayed the payment. I'm satisfied that, while the values in and of themselves may not have caused Santander concern, the pattern and frequency of the payments including the value of the payments increasing represented a significant departure from how Mr M typically operated his account and presented a potential risk when considering the destination of the payments.*

*What kind of intervention/warning should Santander have provided?*

*I think a proportionate intervention would have been for Santander to contact Mr M, whether through its automated systems, or by way of human intervention to have established further details around the payments Mr M was making. I've not seen any evidence to suggest that Mr M had been provided with a cover story, so I think he would have answered any questions about the purpose of his payments candidly and it would have become apparent that Mr M was making payments to purchase cryptocurrency in relation to a job.*

*It then follows that Santander, as professionals in these matters, would have been very concerned about the purpose of the payments as they had the common features of a 'job task' scam which was prevalent and well known to Santander. Santander could then have given strong, tailored warnings about proceeding.*

*If Santander had provided a warning of the type described, would that have prevented the losses Mr M suffered from payment seven?*

*There's nothing to suggest Mr M wouldn't have heeded any warnings, once the risks and common scam features were exposed and explained to him. I am mindful that at the time of making payment seven Mr M was starting to question things himself – and why he needed to make payments to be able to withdraw his funds. So, a timely intervention at this point would have resonated with Mr M and confirmed to him that he was indeed the victim of a scam.*

*Overall and on balance, when considering all of the above, I'm satisfied, given the findings made here around intervention and warnings, that Santander didn't act fairly and reasonably and so ought to be liable, at least in part, for Mr M's loss from payment seven.*

*Is it fair and reasonable for Santander to be held responsible for Mr M's loss?*

*In reaching my decision about what is fair and reasonable, I have taken into account that Mr M sent funds from his Santander account to his own cryptocurrency account to enable the purchase of cryptocurrency to then send on. So, he remained in control of his money after he made the payments from his Santander account, and it took further steps before the money was lost to the fraudsters.*

*I have carefully considered Santander's view that this is a multi-stage fraud, and a complaint should be properly considered against the firm that is the 'point of loss' – so the last point at which the money (or cryptocurrency) remains under the victim's control.*

*But as I've set out above, I think that Santander still should have recognised that Mr M might have been at risk of financial harm from fraud when he made Payment seven, and in those circumstances, Santander should have made further enquiries with Mr M about the payment before processing it. If it had done that, I am satisfied it would have prevented the losses Mr M suffered. The fact that the money wasn't lost at the point it was transferred to Mr M's own cryptocurrency exchange account does not alter that fact and I think Santander can fairly be held responsible for Mr M's loss in such circumstances. I don't think there is any point of law or principle that says that a complaint should only be considered against either the firm that is the origin of the funds or the point of loss – as Santander has alluded to.*

*Ultimately, I must consider the complaint that has been referred to me (not those which haven't been or couldn't be referred to me) and for the reasons I have set out above, I am satisfied that it would be fair to hold Santander responsible for Mr M's loss from payment seven onwards (subject to a deduction for Mr M's own contribution which I will consider below).*

*Should Mr M bear any responsibility for his losses?*

*In reaching a decision on this point, I've taken into account what the law says regarding contributory negligence, while keeping in mind that I must decide this complaint based on what I consider to be fair and reasonable in all the circumstances. Having done so, I am persuaded that it would be fair and reasonable for Santander to make a deduction from the compensation payable to Mr M because he ought to bear some responsibility for what happened here.*

*I am mindful that Mr M accepts he should share liability for his losses on payments seven, eight and nine. So, I don't find I need to go into too much detail here. While I accept Mr M believed that these payments were being made in connection with a legitimate employment opportunity, I'm not persuaded that belief was a reasonable one. There was no formalisation of the arrangement between him and the employer – for example, there was no written contract and indeed no clear setting out of the terms of his employment. There also doesn't appear to have been any formal interview process before Mr M was offered the employment.*

*In addition to that, the arrangement was an inversion of the normal employer-employee relationship. In most circumstances, people expect to be paid by their employer, rather than the other way around. So, Mr M should have been concerned that he was needing to pay further amounts in order to withdraw his earnings. And here Mr M had his doubts about what he was being asked to do on payments seven, eight and nine.*

*So, I think Mr M did have a role to play in what happened and I think that the amount Santander should pay to him in compensation should fairly and reasonably be reduced to reflect that role. Weighing the fault that I've found on both sides, I think a fair deduction is 50%.*

*Was there anything else Santander could do to recover Mr M's funds?*

*For completeness, I'll address recovery. The payments which were sent to Mr M's own account with C, were converted into cryptocurrency and then sent to the scammers. So, there wasn't any chance of Santander recovering the funds from C – as the funds had already been converted into cryptocurrency and moved on.*

*What redress is owed to Mr M?*

*I think that Santander should have prevented Mr M's loss from and including payment seven.*

*In calculating fair redress I've also taken into account that Mr M has received some reimbursement/credits as part of the scam that he understood to have been 'earnings' from the tasks he carried out.*

*Given Mr M was falling victim to a scam and his 'earnings/returns' weren't genuine, I don't think this money should be attributed to any specific payment. Instead, I think this money should be deducted from the amount lost by apportioning it proportionately across all of the payments Mr M made to the scam. This ensures that these credits are fairly distributed.*

*To work this out, Santander should take into account all of the payments Mr M made to the scam, which I've set out in the table above.*

*In this case, the 'returns' received equals £130 and the total amount paid to the scam equals £6,619. Santander should divide the 'returns' by the total amount paid to the scam. This gives the percentage of the loss that was received in 'returns'. Deducting that same percentage from the value of each payment after and including payment seven gives the amount that should be reimbursed for each payment.*

*Here the 'returns' amount to 1.96% of the total paid to the scam. It follows that the outstanding loss from each payment after and including Payment seven should be reduced by the same percentage. That means Santander should reimburse 98.04% of each payment after and including payment seven.*

*Please note that, for ease of reading, I've rounded the relevant percentages down to two decimal places, but Santander should perform the calculation I've set out above to arrive at a more precise figure, as I have done to arrive at the figure below.*

*After taking the steps set out above, I calculate Mr M's outstanding loss from these payments to be £5,268.45.*

*As I've explained, I also think that the amount reimbursed should be reduced by 50% to reflect Mr M's contributory negligence.*

*I therefore calculate the overall reimbursement due to Mr M to be £2,634.23.*

### **Putting things right**

*For the reasons given above, I intend on upholding this complaint in part, and intend to direct Santander UK Plc to:*

- Refund Mr M £2,634.23 (as set out and explained in the above calculation)*
- Pay 8% interest on this amount, from the date of payments to the date of settlement."*

### **My final decision**

For the reasons given above, and within my provisional decision, my final decision is that I uphold this complaint in part. Santander UK Plc should now reimburse Mr M as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 January 2026.

Matthew Horner  
**Ombudsman**