

The complaint

Mr K complains Santander UK Plc ('Santander'), hasn't fully reimbursed him following an Authorised Push Payment ('APP') investment scam he fell victim to. He says Santander should reimburse him all the money he's lost.

I understand that there was an earlier payment made as part of the same set of circumstances but that this payment was made from an account with a different banking provider. For the purposes of setting out what has happened here I might refer to this payment, however, I make no findings as to this payment under this complaint. This is because, I can see it has been considered under a separate complaint with our service.

What happened

As both parties are familiar with the circumstances of this complaint, I've summarised them briefly below.

In 2022, Mr K says friends of his recommended to him an investment opportunity in treasury notes with a company I'll refer to as 'IFT'. Mr K knew of the individual who was investing the funds on behalf of those who'd invested – I'll refer to as 'S' going forward. Mr K says he knew S as he played football with him from 2020 – around two years prior to the initial investment payment in 2022.

Mr K was aware many of his friends had invested and upon receiving the recommendation he met S in person, where he was told more about the investment. Mr K received a memorandum of understanding – setting out the agreement between him and IFT and has told us he received updates via messages and email.

Given the number of people/friends he knew had invested and also knowing S, believing all to be genuine, Mr K made a payment of £7,500 in March 2022 from an account held with a different banking provider.

At a later point, Mr K says he was asked to download an app where he was able to track the investment.

In 2024, Mr K was advised the investment had grown to around £19,000. Following this, Mr K decided to make a further investment. In June 2024, Mr K made a payment in branch of £7,500 from his Santander account.

A few months after Mr K made the payment, one of his friends, who'd also invested in IFT told him to try to withdraw his funds. When Mr K attempted to make a withdrawal, he said he was unable to do so and it was at this point, he realised he'd fallen victim to a scam.

Mr K raised the matter with Santander, who looked into his complaint under The Lending Standards Board' Contingent Reimbursement Model ('CRM Code'), which it was a signatory of. In summary, Santander said it had met the standards set out in the CRM Code by providing a relevant scam discussion. However, it assessed that Mr K didn't take the care that was expected as set out in the CRM Code – in that he didn't complete sufficient checks

prior to sending the funds and that he relied upon what the scammer had told him. It concluded it would reimburse Mr K 50% of his loss and said £3,750 was credited to his account on 13 December 2024.

Unhappy with Santander's response, Mr K brought his complaint to this service. One of our Investigator's looked into things and thought the complaint should be upheld in part. In summary, she didn't think Mr K had a reasonable basis for belief when making the payment, however, she thought that had Santander asked probing questions when Mr K made the payment in branch, the scam would've unravelled. In light that Santander had already reimbursed Mr K 50% of his loss, she recommended Santander pay Mr K 8% simple interest per annum on this amount from the date of the payment until the date of the settlement.

Santander didn't agree. In its reply, it said it didn't agree that there was no intervention and highlighted that the payment Mr K made was in branch and that a face-to-face conversation took place. It raises it is unclear as to how Santander could have uncovered the scam – given that Mr K at the point of making the payment had been investing for two years and was honest about the nature of what he was doing. It says it was agreed Mr K had a reasonable basis for belief and so is unclear how it would've been expected to uncover the scam at this point. Santander also doesn't agree that 8% simple interest should be awarded in this case.

I issued a provisional decision on this case on 28 November 2025. Santander replied to say its position remains unchanged. Mr K hasn't responded.

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.

In my provisional decision I explained the following:

'In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.'

Having done so, I'm currently intending to uphold this complaint. I will now explain my reasons why.

The Lending Standards Board' Contingent Reimbursement Model (the CRM Code) requires firms to reimburse customers who have been the victims of Authorised Push Payment ('APP') scams, in all but a limited number of circumstances and it is for Santander to establish that a customer failed to meet one of the listed exceptions set out in the CRM Code.

Under the CRM Code, a bank may choose not to reimburse a customer if it can establish that:*

- *The customer ignored what the CRM Code refers to as an "Effective Warning" by failing to take appropriate action in response to such an effective warning.*
- *The customer made payments without having a reasonable basis for believing that: the payee was the person the Customer was expecting to pay; the payment was for genuine goods or services; and/or the person or business with whom they transacted was legitimate.*

**Further exceptions outlined in the CRM Code do not apply to this case*

Did Santander meet the standards expected of a firm under the CRM Code?

The CRM code says that, where a firm identifies APP scam risks, it should provide “Effective Warnings” to their customers. It sets out that an Effective Warning should enable a customer to understand what actions they need to take to address a risk and the consequences of not doing so. And it says that, as a minimum, an Effective Warning should be understandable, clear, impactful, timely and specific.

I’m satisfied given the value of the payment - £7,500, that Santander ought to have identified Mr K could be at risk of an APP scam and provided effective warnings in line with the firms’ standards under the CRM code.

The payment was made in branch and Santander say a face-to-face scam conversation was conducted. From the information given to me about the branch visit, it notes Mr K was transferring the funds into an investment, that he’d known the individual for quite a while, that he’d invested in the company previously and was under no pressure to invest. Whilst I note the comments recorded, I’ve not seen anything that shows what questions Mr K was asked at the time in branch. And so, in the absence of this, I can’t safely say the investment scam warning was effective.

Our Investigator thought that had Santander asked more probing questions, on balance the scam would’ve unravelled and the scam would’ve been prevented. It was on this basis, that she thought when Santander reimbursed Mr K 50% of his loss that it should have paid 8% simple interest on this amount.

Santander in its response didn’t agree. It said it is unclear how Santander could’ve uncovered the scam, given that Mr K had at the point of the payment, been investing for two years and was honest about the nature of the payment and what he was doing. It said it was agreed Mr K had a reasonable basis for belief and so, it argues there was nothing at the time to suggest that this was a scam or how it would be expected to uncover a scam at this point.

I’m mindful the CRM Code explains that a firm, in assessing whether an exception to reimbursement applies such as ignoring an effective warning, has to take into account whether it would have had a ‘material effect on preventing the APP scam’.

I think it important to note that Santander’s position around Mr K’s reasonable basis for belief has been somewhat contradictory. Within its final response letter, it says Mr K didn’t take the care that was expected as set out in the CRM Code – in that he didn’t complete sufficient checks prior to sending the funds and that he relied upon what the scammer had told him. Yet, when responding to our Investigator’s view, on numerous occasions has reiterated that it has been agreed Mr K had a reasonable basis for belief at the time of making the payment. I’ve thought carefully about everything I’ve seen and been told, and in light of what Santander has said and, for the reasons I will go onto explain in more detail below, I’m not currently persuaded Mr K had reason to believe that the investment wasn’t genuine at the time.

With this in mind, even if Santander were to have provided Mr K with a relevant or tailored warning about investment scams – I’m currently minded to find it is fair to say it wouldn’t have had a material effect on preventing the scam, such was his belief in IFT and that things were legitimate. So, I do not think an exception to reimbursement can be applied for this reason in any event.

Did Mr K have a reasonable basis for belief?

As I've referred to above, Santander has been somewhat contradictory in relation to its stance on Mr K's reasonable basis for belief. At points it has said Mr K didn't take the care that was expected as set out in the CRM Code – in that he didn't complete sufficient checks prior to sending the funds and that he relied upon what the scammer had told him.

Yet more recently, within its request for an ombudsman's decision has said it's agreed Mr K had a reasonable basis for belief and had genuine looking documentation.

Our Investigator didn't think Mr K had a reasonable basis for belief and she set out her reasons for this within her view. I've thought carefully about what she's said on this point but I'm afraid I don't agree. I accept that, in cases such as this, that this can be finely balanced – but I'm persuaded Mr K did have a reasonable basis for belief and I'll now explain why.

I have given careful consideration as to how Mr K became aware and was introduced to IFT. I find this to be an important factor when considering whether Mr K held a reasonable basis of belief when making the payment. Mr K was introduced to IFT by friends who had been investing through S already. I think this would have been compelling for Mr K. And it is understandable that he placed weight on what he was seeing and hearing about IFT from his friends who had already invested and who were seemingly doing well with their investments. I can understand why it would have seemed genuine to Mr K, due to the connection with numerous friends.

Further, Mr K has shared that he knew S and had known him via the same social circle (in which they played football) for around two years prior to making his initial investment payment in 2022. He had met S to talk about the investment, and this combined with the recommendations from his friends about IFT and what he was hearing from this, I can understand why, Mr K would have considered it was a genuine investment opportunity that was being presented to him. I don't think it was unreasonable for him to do so in the circumstances of this complaint.

Santander in its submissions had made a nod to Mr K receiving genuine looking documentation and that he'd invested into IFT two years prior to the payment he made from his Santander account.

I appreciate that there are some aspects of this complaint, which in the cold light of day ought to have caused Mr K pause for thoughts – such as his investment growing to £19,000 in 2024, following his initial investment in 2022. Whilst I can accept that it might be argued this sounded too good to be true, I don't think it can be overlooked how much weight Mr K would've placed on what he was hearing and being told by many of his friends whom he says invested much larger amounts than himself.

On balance, I think there was enough to reasonably convince Mr K at the time that this was a genuine investment. With this in mind, I don't think Mr K made the payment without a reasonable basis of belief that S and IFT was genuine.

This is a finely balanced case. But, in all the circumstances, I'm minded to find no exceptions to reimbursement under the CRM Code apply. It follows that I'm satisfied Santander should reimburse Mr K his remaining loss under the provisions of the CRM Code.

Interest

I note within Santander's response to our Investigator's view that it has said it doesn't agree that 8% should be paid on the 50% it had already reimbursed Mr K. It added that given the specific account type held by Mr K, it does not pay credit interest and, as such, Mr K had not

been disadvantaged due to this.

Whilst I don't agree with Santander's position on that point, as I have reached a different outcome to that of our Investigator my recommendations around the interest to be paid is different.

I cannot know for certain how Mr K would have used this money had Santander refunded him in full when it first considered his claim under the CRM Code. But if Santander had refunded the money in full when it ought reasonably to have done then Mr K would not have been deprived of it for the time he has.

So, Santander should also pay interest on the remaining loss at a rate of 8% simple per year.

Putting things right

For the reasons explained above, I'm minded to conclude that Mr K ought reasonably to have been fully refunded under the CRM Code. To put matters right I intend to require Santander UK Plc to pay Mr K:

- The remaining amount he lost to this scam - I calculate this to be £3,750; This represents 50% of the payment he has not yet been reimbursed; plus,*
- It should pay 8% simple interest per year on the above amount (less any tax properly deductible) to be calculated from the date Santander first declined the claim under the CRM Code until the date of settlement'.*

Santander responded to say its position remained unchanged following my provisional findings. Mr K didn't respond or add any additional comments. In light that no new evidence or arguments have been made for me to consider, I see no reason to depart from the conclusions set out in my provisional decision (copied above).

Overall, for the reasons set out here and in my provisional decision, I remain of the view that the complaint should be upheld.

Putting things right

For the reasons explained above, Santander UK Plc should now:

- Refund Mr K the remaining amount he lost to this scam - I calculate this to be £3,750; This represents 50% of the payment he has not yet been reimbursed; plus,*
- It should pay 8% simple interest per year on the above amount (less any tax properly deductible) to be calculated from the date Santander first declined the claim under the CRM Code until the date of settlement.*

My final decision

My final decision is that I uphold this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 14 January 2026.

Staci Rowland

Ombudsman