

The complaint

Mr M complains that Santander UK Plc won't refund payments he made as a result of an investment scam.

What happened

Mr M fell victim to an investment scam, where he made three card payments in June 2024 to fund his investment with a company I'll refer to as T. These were for £4,500.00, £10,000.00 and £20,000.00.

He's explained that a broker traded on his behalf, but when he tried to withdraw his money, it wasn't there and he was only able to withdraw £100.00. The broker then became unresponsive.

Santander blocked the second and third payment and questioned Mr M over the phone. In relation to the second payment for £10,000.00:

- Mr M confirmed the payment was to T who he had used before, and he wasn't trading in cryptocurrency. He confirmed he was aware of the risks and his career was in financial services. Mr M's card was subsequently unblocked, and he was read a general scam warning.
- Mr M went on to ask why it was blocked and whether Santander had concerns with T. The agent replied it was most likely the amount and that it was coming up as connected to cryptocurrency.

For the third transaction for £20,000.00:

- Mr M confirmed he'd paid the company before; it wasn't cryptocurrency; and that he was sending it to a trading platform that wasn't regulated in the UK. He explained that having worked in financial services, he was comfortable with the payment.
- Santander's agent read out information about scams, including how Mr M could check the matter with the Financial Conduct Authority (FCA).
- Mr M said he'd now doubts, as while he could see his account, the trader was also accessing it and trading it on his behalf. Santander told him to be careful; how it can flag up to be cryptocurrency; and that he should carry out further checks.
- Further to carrying out his own due diligence, Mr M called Santander again and confirmed that he wanted it to go ahead with the payment – so Santander unblocked his card.

Having realised he'd been scammed, Mr M disputed the payments with Santander. It declined to refund him and his subsequent complaint. In summary, it said he'd authorised the payments and, as they were made by card, they weren't covered by the Contingent Reimbursement Model.

Unhappy with the response, Mr M brought his concerns to our service to investigate.

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 conclusion as our investigator for these reasons.

- While it's not disputed Mr M was the victim of a scam, the starting position in law is that he is responsible for payments he made. And Santander has a duty to make the payments he tells it to.
- But that doesn't preclude Santander from making fraud checks before making a payment. And, taking into account regulatory expectations and good industry practice, I'm satisfied that it should fairly and reasonably have done this in some circumstances.
- Here, Santander questioned Mr M about the second and third payment. I'm satisfied that was a reasonable point to intervene given the values of these payments and the nature of the merchant.
- Accordingly, the crux of this matter is whether Santander's interventions were reasonable and proportionate to the risk of financial harm.
- Having listened to the calls, I don't think Santander did enough. I'd have expected Santander's agents to have asked more open and probing questions to better understand the circumstance of the payments – instead it seems they were mistakenly reassured by Mr M's experience and that it wasn't connected to cryptocurrency.
- I'd also have expected a much starker warning when Mr M told Santander the name of the platform (which they could've seen was the subject of a FCA warning). Equally, when he said that it wasn't regulated in the UK, and that someone had access to his account who traded on his behalf. Instead, Mr M was told to be very careful and to carry out more checks.
- Had Mr M been given a starker scam warning, I'm persuaded that it's more likely than not that he wouldn't have gone ahead with either the second or third payment. While he'd experience with financial services, it's also clear he was interested in and receptive to Santander's advice – for example, he questioned whether it had concerns about the platform, and he went away to carry out further checks after its intervention call.
- In saying that, I've considered how his own checks didn't change his mind – and so, whether a better warning would have. But Santander didn't confirm with him what due diligence he'd carried out and the relevance of that to whether it was a scam. So I don't find this to be persuasive evidence that Mr M's own checks meant he wouldn't have been put off by a starker, clearer warning about the risk of fraud.
- Taking this all into account, I agree with our investigator's conclusion that Santander's interventions weren't reasonable or proportionate to the risk of financial harm, and that if they had been, it's likely Mr M wouldn't have suffered the losses he did from the second payment.
- I've noted Santander's submission that it shouldn't be held responsible as the funds

went to an account in his own name. But it's been accepted that this account was accessed by fraudsters to operate the scam, and his losses appeared to happen directly from it. So I don't find this absolves Santander's liability for failing to prevent what I consider were reasonably foreseeable losses.

- Finally, I've reflected on whether Mr M should bear responsibility for his losses. I note he's accepted the investigator's conclusion these ought to be reduced by 50% to reflect his contributory negligence. And for completeness, I agree given the warnings about T online (most clearly from the FCA), and how Mr M went ahead with a significant investment despite showing some concerns with T.

My final decision

For the reasons I've explained, I uphold Mr M's complaint. Santander UK Plc must:

- Refund Mr M for the second and third disputed transaction minus the £100 credit he received
- Deduct 50% from this amount to reflect his contributory negligence
- Pay 8% simple interest per year on this amount, from the date of the payments to the date of settlement (less any tax lawfully deductible)

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 January 2026.

Emma Szkolar
Ombudsman