

## The complaint

Mr H complains that Santander UK Plc won't refund the money he lost to an investment scam. Mr H is represented in this complaint, but I'll refer to him as it's his complaint.

## What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In and around August 2024, Mr H saw an advert, on a platform he trusted, about investing for the future. Having got in contact with a representative of a fake investment company (Company I) he spoke to Person M (the scammer) who said they were an account manager.

Mr H built a relationship with Person M, who he found to be articulate and professional. He was persuaded to make an initial investment which appears to have been in gold, coffee, sugar etc. Due to the high return on offer and him having been made redundant he decided to invest more through Company I as he found them to be professional. Also, their website seemed authentic as it outlined regulations, contained FAQ's, live chat and information about the company and their directors.

Mr H appears to have been assigned a broker and shown fake evidence that his investment was growing. He was persuaded to open an account with Firm R (a regulated Electronic Money Institution). Also, to download computer sharing software which gave the scammers access to his accounts. In addition, he was persuaded to take out a Santander loan and borrow money from family.

To pay fake Company I, Mr H:

- Obtained a £6,000 loan from Santander, which was credited to his account on 4 November 2025.
- Transferred funds from his Santander account to his Firm R account.
  - From Firm R he then paid individuals linked to fake Company I via Company PP (a well-known online payment system that allows individuals and businesses to send, receive, and pay for goods and services).
- Paid Firm C (a legitimate crypto exchange) from his Santander account.
  - When Santander intervened and blocked this payee he continued to pay them from his Firm R account.
- Paid Person G, who was linked to fake Company P, from his Santander account.

The following table shows the payments Mr H is claiming from his Santander account:

Payment Number	Date	Payment Type	Payee	Payment amount
1	22/10/24	Faster payment	Mr H's account with Firm R	£1,000.00
2	22/10/24	Faster payment	Mr H's account with Firm R	£1,900.00
3	24/10/24	Faster payment	Mr H's account with Firm R	£3,000.00

4	02/11/24	Card	Mr H's account with Company C	£590.64
5	02/11/24	Card	Mr H's account with Company C	£418.48
6	04/11/24	Faster payment	Mr H's account with Firm R	£30.00
7	06/11/24	Faster payment	Mr H's account with Firm R	£1,000.00
8	06/11/24	Faster payment	Mr H's account with Firm R	£20.00
9	06/11/24	Faster payment	Mr H's account with Firm R	£15.00
10	08/11/24	Faster payment	Mr H's account with Firm R	£1,400.00
11	08/11/24	Faster payment	Mr H's account with Firm R	£487.50
12	08/11/24	Faster payment	Mr H's account with Firm R	£250.00
13 – refunded	11/11/24	Faster payment	Person G	£1421.00
14 – refunded	12/11/24	Faster payment	Person G	£640.00
15 – refunded	12/11/24	Faster payment	Person G	£1360.00

Mr H realised he'd been scammed in November 2024 when withdrawal fees for his investment, which he was led to believe had grown to £95,000, kept on increasing.

Mr H complained to Santander and Firm R seeking a refund of his losses as he considered that Santander should've done more to protect him as the payments were out of character.

Santander rejected his complaint and claim as they didn't think they'd done anything wrong. They did though refund payments 13,14 and 15 under the APP Scam Reimbursement Rules.

Mr H then brought his complaint to our service but our investigator didn't think Santander had done anything wrong. He noted that they intervened and stopped further payments to Company C but because Mr H misled Santander and didn't visit the branch as asked, this prevented them from establishing there was an ongoing scam.

Mr H was dissatisfied with the view of our investigator and, when referring this complaint for an ombudsman final decision, questions why additional transactions were permitted without further scrutiny or intervention, when Santander were suspicious and required a branch visit.

**I issued a provisional decision on 29 November 2025, and this is what I said:**

*I've considered the relevant information about this complaint.*

*My provisional decision is the same outcome of that reached by our investigator. However, as my reasoning is different, I'd like to give both parties a further opportunity to respond.*

*The deadline for both parties to provide any further comments or evidence for me to consider is 13 December 2025. Unless the information changes my mind, my final decision is likely to be along the following lines.*

*If I don't hear from Mr H, or if they tell me they accept my provisional decision, I may arrange for the complaint to be closed as resolved without a final decision.*

*What I've provisionally 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, my provisional decision is not to uphold this complaint, and I'll explain why.

I should first say that:

- I'm very sorry to hear that Mr H has been the victim of this cruel scam and lost a significant amount of money here.
- In making my findings, I must consider the evidence that is available to me and use it to decide what I consider is more likely than not to have happened, on the balance of probabilities.
- I'm satisfied that the APP Scam Reimbursement Rules, introduced by the Payment Systems Regulator in October 2024, for customers who have fallen victim to an APP scam, don't apply to payments 1 to 12 because they were sent to another account in Mr H's name.
- I don't think it would've been reasonable to have expected Santander to recover the funds considering the payments to the scammers were transferred to another bank and then onto the scammers where the accounts, including crypto wallets, would've been emptied.
- The Payment Services Regulations 2017 (PSR) and FCA's Consumer Duty are relevant here.

### PSR

Under the PSR and in accordance with general banking terms and conditions, banks should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. There's no dispute that Mr H made the payments here, so they are considered authorised.

However, in accordance with the law, regulations and good industry practice, a bank should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

Banks do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions. So, I consider Santander should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.
- Have 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 banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

### Consumer Duty

Also, from July 2023 Santander had to comply with the Financial Conduct Authority's Consumer Duty which required financial services firms to act to deliver good outcomes for their customers. Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, Santander was required to act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud. Santander was also required to look out for signs of vulnerability.

I first considered:

#### Whether Santander should've recognised Mr H was at risk of financial harm and intervened on the 'me to me' payments

Ten of the fifteen payments Mr H made were payments to another account he held and controlled with another regulated financial business.

These types of payments are referred to as 'me to me' payments and I consider the bar for an intervention to be high. This is because it is common for customers to have more than one account to do their banking and the risk level would be reduced as another regulated firm would analyse, monitor and issue warnings / complete checks (where appropriate) on further payments if they had concerns about the destination. So, ordinarily, I wouldn't have expected to see an intervention on any of the 'me to me' payments that only reached a maximum of £3,000.

However, in this case, I think that Santander's blocking action and account restrictions on 4 November 2025 should've – temporarily – also been applied to all payments that weren't minimal, and this includes 'me to me' payments.

I say this because I think by this point Santander had accumulated enough information to be concerned that Mr H was falling victim to a scam which was wider than crypto payments to Company C.

I consider the following to have been pieces of available information that, collectively, would've shown that there was a risk which needed to be managed to protect Mr H from financial harm:

- A. On 23 October 2024, a Santander agent was highly suspicious of Mr H's explanations of attempted payments to Company PP. Mr H wanted to pay several friends but couldn't explain the exact reason for this and, when pressed, said he thought they were to help out with living expenses. Santander's agent found Mr H's explanation 'odd' and referred this to a colleague or supervisor and discussed his suspicions. Also, they analysed his account and found the transfers in and out, including amounts, and account closure information suspicious and 'strange'. They tried to identify a scam type but concluded it was too 'hard to tell'.
- B. Although I don't have the loan application details and date, between 23 October 2024 and 4 November 2024, Santander were processing a loan application and had a concern as Mr H wanted to pay a newly opened account. Also, when they blocked his account and required him to visit a branch for an identity check, Mr H became anxious and agitated and said he would be 'in serious trouble' if he couldn't make urgent payments.
- C. On the 4 November 2024 call, when Mr H attempted a third payment to Company C and the Santander's agent correctly blocked the payment and restricted his account because of Mr H giving an implausible explanation that he was buying furniture through a crypto company, Mr H again became anxious and said he was being caused 'heartache'.

*Whilst I recognise Santander have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm and Mr H was demanding they release his funds, I think Santander should've temporarily applied the above-mentioned wider block and restrictions – on payments 6 to 12 – from 4 November 2024 pending a discussion with a fraud and scam agent in a branch.*

*It is the connection of information and intelligence and the raised risk level in point C, after points A and B, that I think should've triggered such action. So, I don't think such action should've applied to payment 1 to 5.*

*Regarding payments 1,2 and 3, these were all 'me to me' payments for relatively low amounts with no obvious scam pattern. So, I don't think these should've been viewed as suspicious and triggered an intervention.*

*Regarding payment 4 and 5 to Company C, although these were crypto payments and they had a heightened risk of fraud or a scam, I think the amounts were relatively low for an intervention on payments that are legal and very common.*

*I then considered:*

*Whether Santander not putting in place temporary restrictions and a subsequent human intervention to discuss Mr H's planned 'me to me' payments (payments 6 to 12) caused his loss*

*I don't think it would've been proportionate for a block and restrictions (on 'me to me' payments) for any length of time. This is because of the above-mentioned balance banks have to strike. Also, Mr H was strongly demanding release of his funds to Firm R, who would have a better picture of where the funds were going and issue warnings and education.*

*In any case, I think it more likely than not that, if Santander put in place the above-mentioned restrictions, Mr H would've quickly visited a Santander branch to discuss his intended 'me to me' payments with an agent. This is because Santander had his funds, and he was anxious to transfer the funds to Company I and / or their representatives as he wanted to increase and / or release the profit he thought he'd made from the fake investment.*

*For the following reasons, I'm not persuaded this restriction and human intervention at a branch would've stopped Mr H paying Firm R and then the scammers:*

- Mr H was under the scammers' spell, trusted them and believed he was going to receive a significant amount of money – up to £95,000. Also, he didn't want to risk losing this by not paying them the release fees.*
- Mr H appears to have been heavily coached by the scammers, and I think it likely he would've discussed any human intervention in advance with them.*
- Mr H consistently misled the Santander agents when being asked about the payments to Firm PP, reasons for the loan and payments to Company C.*
- Mr H misled Firm R when they put in place interventions and ignored strong scam warnings.*
- The questions that an agent could ask, which would then guide their probing and the educational information they would give, would've been limited as the payments Mr H wanted to make were 'me to me' payments. So, it would've been very difficult for an agent to have reason to doubt false answers given.*
- Although an agent could question his previous suspicious comments when paying Company PP and Company C (mentioned above), I think it more likely than not that Mr H would've come up with an explanation. Also, even if his*

*explanation was again highly suspicious, I think it unlikely that an agent would've been able to link these payments including with his reason for making a 'me to me' payment.*

- *An agent would've likely given Mr H general scam warnings and fraud education. But when Firm R did this, he disregarded them.*
- *Firm R also gave Mr H the following warnings and he either confirmed (or allowed the scammer to confirm) that they didn't apply or that he understood:*
  - *'It's important you answer honestly - If you're being scammed, the fraudster may ask you to hide the real reason for this payment'.*
  - *'I may not be able to get my money back if I do not answer the following questions truthfully'.*
  - *'Is anyone pressuring you to make this transfer? - If you are being told what to say, or that you need to act quickly, this may be a scam'.*
  - *'If someone is telling you to ignore these warnings, they're a scammer. - Only continue if you're sure nobody is pressuring you to make a payment'.*
  - *'Have you been asked to install software'.*

*So, even if Santander joined the dots on the intelligence they had and put in place restrictions on the 'me to me' payments to trigger a human intervention, I'm not persuaded it would've made a difference and either stopped him making the payments or unravelled the scam.*

*I recognise the cunning tactics and manipulation of the scammers, so I in no way blame Mr H for continuing to make the payments to them. However, considering the above and all the information on file, I think whatever intervention Santander put in place Mr H would've found a way to continue paying the scammer.*

*So, although I'm genuinely very sorry about his loss, I don't think it would be fair or reasonable to hold Santander responsible for his loss and require them to give him a refund.*

*My provisional decision*

*For the reasons mentioned above, my provisional decision is to not uphold this complaint against Santander UK Plc. This is subject to any comments that either Mr H or Santander UK Plc may wish to make. These must be received by 13 December 2025.*

### **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.

Further to my above provisional decision, with a deadline of 13 December 2025, Santander said they had no further comments and I didn't receive a response from Mr H.

So, as no further arguments or evidence have been produced in response to my provisional decision my view remains the same.

I therefore adopt my provisional decision and reasons as my final decision.

**My final decision**

For the reasons mentioned in my above provisional decision, my final decision is that I'm not upholding this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 January 2026.

Paul Douglas  
**Ombudsman**