

The complaint

Mr M complains that Santander UK Plc lent to him irresponsibly.

What happened

In January 2024, Mr M applied for a loan of £15,000 which he said was for a car. It was to be repaid over two years through monthly instalments of £750.94. Santander agreed the loan and paid the money to the current account he held with it. Unfortunately, Mr M was being scammed at the time, and in fact the money was transferred from Santander to another account in his name with another bank, and onwards into a cryptocurrency scam. Mr M has been unable to recover the money.

On 20 December 2024, Mr M complained to Santander. He said the lending was irresponsible and the lack of human intervention by the bank contributed to that. He said shortly before he applied for the loan, his current account had been blocked due to him sending money to cryptocurrency and led to him opening an account elsewhere. He said this behaviour was unusual, so Santander ought to have questioned his application for the loan. He said, *“human intervention at this stage may have been able to stop the (with hindsight) inevitable, or they could have straight-up declined the application based on the previous cryptocurrency activity.”*

Santander looked into Mr M’s complaint and issued a final response letter. It said he had told it the loan was for a car, and it had followed its usual checks and processes when agreeing the loan. It didn’t uphold his complaint.

Mr M didn’t accept Santander’s response, so he referred his complaint to our service. Our investigators looked into it. They noted there was no dispute that Mr M had applied for the loan himself and knew that he was doing so (there was no suggestion that the scammer applied for the loan on his behalf). He had transferred the money to his other account himself. Santander had previously questioned his transfers to his other bank account (before the loan was agreed) and he’d reassured them all was well. And from the information he provided and Santander found itself, the loan was affordable for him. Our investigators didn’t feel that the lending had been irresponsible or that it had treated him unfairly.

Mr M didn’t agree with our investigators. He acknowledged that the loan had been affordable for him (and it has since been repaid in full) but he felt that the previous recent activity on his current account ought to have led to further intervention or the loan being declined. As there was no agreement, the complaint has been passed to me for a decision.

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.

I am sorry to hear of the scam Mr M fell victim to and can only imagine the distress this caused him. I acknowledge the hard work it must have taken for him to repay this loan as quickly as he did.

Mr M has accepted that the loan was affordable for him, so I don't need to go over that in my decision. His concern is the lack of intervention in his application given what Santander knew about him.

I have statements for his current account with Santander going back to December 2022. I can see he maintained a high credit balance in the account and it was well run. In December 2023, he authorised six payments to cryptocurrency exchanges. Santander blocked two of them, but the others went through. He still had a high balance after those transactions.

Mr M tells us that as Santander had blocked some of his transactions, he opened an account elsewhere and began to transfer large sums of money to that account (and, it seems, onwards to the cryptocurrency exchanges). Santander spoke to him about the transfers as it felt the transactions were unusual. I won't go into detail about what the bank asked and what he told it, but Mr M was able to reassure the bank that all was well and the transfers were for a valid reason. It allowed the transfers to go through.

Santander wouldn't have been able to see that the transactions from his other account were sent to cryptocurrency and were not for the purpose that Mr M had given when it queried them. As he'd reassured it all was well, I wouldn't expect it to have asked further questions regarding his loan application. He told it the loan was for a car – a reasonable request – and Santander was entitled to assume that was the case unless it had reason to doubt it. I've seen nothing which makes me think Santander ought to have doubted what he'd said. It had already asked questions Mr M about his account activity and he had reassured it about that.

As I say, I do appreciate the distress Mr M must've felt once he realised he'd been scammed, so I realise my decision will come as a disappointment to him. But I don't think Santander was wrong to agree the loan for him or has treated him unfairly in any other way.

My final decision

My final decision is that I don't uphold this complaint.

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.

Richard Hale
Ombudsman