

The complaint

Mr B and Ms C are unhappy that Santander UK PLC won't reimburse them when they reported being the victims of a scam.

What happened

Mr B worked for a company I shall call 'D'. D had invested with a local Forex trader (who I shall call 'Mr N') and had received large returns. D started a company investment scheme and offered all of its employees the opportunity to invest with Mr N through them. They said that Mr N was averaging 3% daily profit and had made 2,871.4% profit this year. They said at the current rate, £1,000 invested over six months would become £28,000.

D collected funds from employees who wanted to participate in this collective investment and transferred those funds into the control of Mr N.

Mr B and Ms C decided to invest. They didn't do any additional checks as they were happy to follow what D had said about the investment. Ms C made the following payments from their joint account to D's account:

Payment number	Date	Payment amount
1	21 June 2021	£3,000
2	24 June 2021	£2,000
3	30 June 2021	£3,000
4	9 July 2022	£2,000
5	23 July 2022	£5,000

Mr B and Ms C explained they continued to invest after the first payment as they had heard of others making good returns on their investments. They have said they didn't receive any returns.

Mr B and Ms C said they were concerned they had fallen victim to a scam a week after making their last payment as they received news that all of the investment accounts had been frozen and the police were investigating. It was discovered that Mr N's business was not authorised to carry out investment activity and that the Financial Conduct Authority issued a warning to that effect. Mr N was arrested and he is due to stand trial in early 2026.

Ms C initially reported the scam to Santander in 2022. Santander declined the claim and said the matter was between Ms C and Mr B and the provider of the goods/services. When she complained to Santander in 2023, they issued a final response saying they hadn't made an error and had provided warnings to do with investment before the payments were made. Santander reconsidered the claim again in 2025 and said that the matter was a civil dispute as Ms C and Mr B sent funds to his employer rather than to a scammer.

Mr B and Ms C disagreed with the outcome. They initially joined a collective complaint referred by D. The Financial Ombudsman Service then requested that each investor bring a separate complaint against their account provider.

Santander raised with us that Mr B and Ms C's complaint had been brought outside of our six-month time limit. Our Investigator concluded that the complaint could be considered by the Financial Ombudsman Service Mr B and Mrs C were only late in referring their complaint because they'd initially participated in D's group complaint.

Our Investigator went on to consider the merits of Mr B and Ms C's complaint. She concluded that Santander should refund 50% of the loss from payment three onwards, 8% simple interest from the date of the payment until the refund was paid and £50 compensation for the distress and inconvenience surrounding the problems Ms C encountered in trying to receive the 2023 final response letter.

Santander disagreed with the view and requested a final decision. They point out that, as Mr B and Ms C transferred the money to their employer before funds were moved on to the investment, they didn't suffer any loss on their Santander account. Santander believe the matter is a civil dispute between Mr B, Ms C and D.

The matter has now come to me to decide.

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

Having done so I agree that Santander should share part of the responsibility for the loss. I will explain why below.

The starting position at law is that a firm (such as Santander) is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (in this case, the 2017 regulations) and the terms and conditions of the customer's account.

However, good industry practice requires that firms be on the lookout for account activity or payments that are unusual or out of character to the extent that they might indicate a fraud risk. On spotting such a payment, the firm should make enquiries with the customer to satisfy itself that the customer wasn't at risk of financial harm due to fraud.

I have looked through over 12 months of Mr B and Ms C's account statements to understand their account history. I have thought about the circumstances of each of the payments they made and if Santander should have been concerned about the payments being made at any point. I have then thought about what sort of intervention should have happened and what impact this would have, if any, on the scam being stopped.

Payments one and two

When the first payment was attempted by Ms C, she was prompted to pick from a list of options to describe the purpose of the payment. Ms C selected that it was an investment so Santander showed her an online warning about investment scams. I think this action by Santander was proportionate to the payment's apparent scam risk. It was fair to provide an

online warning as the payment did indicate some risk of financial harm. It was rare for Mr B and Ms C to make faster payments, and when they had done so previously, they weren't anywhere near as high in value. I think the payment's value was high enough in this instance to warrant an online warning, but not high enough to require Santander to get in touch directly with Mr B and Ms C to make further enquiries.

Santander told us that the warning said:

"If you've been cold-called or contacted out of the blue about an investment opportunity, this is highly likely to be a scam. Criminals can spoof genuine companies to trick you in to making payments for fake investments. Please always complete thorough checks to make sure the company or person you're dealing with is genuine before transferring any money.

If you're at all nervous, please cancel this payment and call us immediately. Contact us [[Link to contact Santander](#)]"

I don't think Santander's warning detailed all it could have done about the hallmarks of investment scams, but I don't think a better online warning would've made a difference to the scam going ahead anyway. I say this because Mr B and Ms C's situation wasn't a typical investment scam. Mr B's situation with his employer was so specific that I don't think he would've seen the parallels. So, whilst I think Santander's online warning to do with investment scams could've been better, I don't think it would've made a difference here.

I think it was reasonable of Santander to not intervene in payment two as I don't think it appeared as high risk; it was lower than the first payment, so there wasn't a pattern of increasing loss there and the value in itself wasn't high enough to warrant further intervention from the bank.

So, based on the points above, I think Santander acted fairly and reasonably in relation to payments one and two.

Payment three onwards

However, I agree with our Investigator that, at the point payment three was attempted, Santander should've intervened again as there was a heightened risk of financial harm. Mr B and Ms C rarely made faster payments, and when they did, the value of those payments was very low. So to have three high value payments going to the same new payee within two weeks was very unusual for the account and meant a pattern was forming of large payments, rather than a 'one-off' large expense. I think an additional risk factor was that Mr B and Ms C had categorised their payment as investment each time, so this would've been the third relatively high payment towards investment that they had made within two weeks, which could be a strong indicator of a scam occurring.

Given Santander had already provided an online written warning about the first payment, I think they should've blocked the third payment and asked Mr B and Ms C to get in touch. Santander then could have asked open-ended questions to Mr B and Ms C in order to satisfy themselves that financial harm wasn't occurring. It seems likely that Mr B and Ms C would've been open about the investment and would've been forthcoming with the details about it, including that it was being paid to Mr B's employer to a third party, there was no paperwork and, crucially, that they were expecting to receive significant returns.

I appreciate that Santander may have been reassured by the fact that the money was going to Mr B's employer, but I think they should've been concerned about the returns that were being promised and the fact that Mr B and Ms C didn't have any paperwork about the large investment. Santander would've known how unrealistic this rate of return was and could've prompted further investigation by Mr B and Ms C into Mr N and his company, as well as

offering advice for how to check that an investment is legitimate (such as checking FCA authorisation).

I think that if this conversation had taken place, it's likely that the scam would've been uncovered and that Mr B and Ms C would not have proceeded with any further payments. So I think that Santander could have prevented some of the losses that Mr B and Ms C incurred.

I have taken on board Santander's argument that, as the loss was from D's account, D (or D's bank) should be liable for the loss. But we have determined that it is not practical for all the payments made via D's account to be considered under one complaint. And D's involvement here does not mean that Santander bears no responsibility for payments made from this account. I am satisfied that Santander could've prevented Mr B and Ms C's losses from the third payment onwards if it had acted fairly and reasonably, and I consider it fair for Santander to bear some liability for that loss.

I think Santander ought to have been aware of the growing prevalence of 'multistage' scams where money is moved through more than one account, as happened here. It should've been alive to the possibility that, while Mr B and Ms C were paying an account with which Mr B had a legitimate connection, it might nonetheless have been in connection with a scam.

In thinking about what is fair and reasonable in this case, I have also considered if Mr B and Ms C should bear some responsibility for the loss. Whilst I do understand that it was a very sophisticated scam, I think it would be fair and reasonable for them to share responsibility here. This is because I think they should've been cautious about the claims that were being made about the investment as they were simply too good to be true, even to an inexperienced investor. I think these extremely high returns should've made them question if the opportunity was genuine and it should've prompted further investigation into the legitimacy of the investment. So I think it would be fair for Santander to deduct 50% from the refundable loss in order to reflect the split in liability.

Distress and inconvenience

Our Investigator recommended an award of £50 for the inconvenience Ms C experienced in trying to access her final response from Santander. I can see that she attended the branch and made numerous phone calls in order to try and get the information she wanted. I think the £50 award is fair to compensate Ms C for the inconvenience she suffered.

Putting things right

If Mr B and Ms C accept, Santander UK PLC should do the following to resolve this complaint:

- Refund 50% of the loss from payment three onwards, so £5,000 overall, less any returns received.
- Pay 8% simple interest per year on that amount from the date the payment was made to the date of settlement
- Pay £50 for distress and inconvenience for poor service.

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 B and Ms C to accept or reject my decision before 19 February 2026.

Paula Lipkowska
Ombudsman