

The complaint

Mr and Mrs C complain that Santander UK Plc won't refund the money they lost as a result of an investment scam. Mr and Mrs C are represented in this complaint, but I'll refer to them as it's their complaint.

What happened

The detailed background to this complaint is well known to both parties, so this is a brief summary of what happened.

After the very sad loss of a close family member, and receipt of inheritance, Mr C decided to invest some of the money.

He saw an investment opportunity with (fake) Company W on social media and was interested in it due to the high returns and it being endorsed by a well-known public entrepreneur.

Mr C submitted an online enquiry and after talking to a Company W representative (a scammer) and not seeing any review red flags he decided to invest.

Company W's identity check procedure and professional looking platform added to their authenticity. Their platform appeared professional and presented real-time financial data that mirrored market movements.

After paying an initial amount of £4,623.82 through another bank, and seeing high returns, Mr C decided to invest a greater amount by transferring funds into his joint account and sending funds to accounts he was told to open with Company J (a crypto trading company in Eastern Europe) and Company K (a well-known crypto exchange).

From their joint account with Santander Mr and Mrs C made the following five payments:

Payment Number	Date	Payment Type	Payee	Amount
1	20/7/19	Card	Mr C's account with Company J	£13,931.19
2	20/7/19	Card	Mr C's account with Company J	£13,931.19
3	20/7/19	Card	Mr C's account with Company J	£1,857.49
4	9/8/19	International	Mr C's account with Company K	£14,131.97
5	14/8/19	International	Mr C's account with Company K	£47,392.23
Total				£91,244.07

Mr C's fake Company W investment continued to increase in value, and he became suspicious when he visited Company W at their overseas address and there was no signage or office in their name. He realised it was a scam when he then tried to withdraw the USD

260,000 that he thought his investment was worth and he was told that he had to pay high fees.

In 2025, Mr and Mrs C complained to Santander as they consider they didn't do enough to protect them from financial harm and they made a claim for a full refund.

However, Santander declined their claim saying it did not fall in scope of the Contingent Reimbursement Model (CRM) Code as the payments were made via card and international payment and the transfers to the scammer were from companies J and K.

Mr and Mrs C brought their complaint to our service and our investigator thought that Santander could've prevented their loss with a better intervention at payment 1. He said they should provide a refund from this payment but added that due to contributory negligence this should be a partial 50% refund.

Mr and Mrs C accepted our investigator's view, but Santander disagree. Santander said they didn't miss an opportunity to protect Mr and Mrs C and their actions in allowing them to transfer their own funds externally were reasonable and proportionate. So, this complaint was passed to me to consider and make a final 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.

Having done so, my decision is to partially uphold this complaint, and I'll explain why.

I should first say that:

- From reviewing the file notes, I'm satisfied that the loss here is due to a scam.
- I'm very sorry to hear that Mr and Mrs C have been the victim of this cruel investment scam and lost a large amount of money.
- 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.
- Although Santander were a signatory of the Lending Standards Board's Contingent Reimbursement Model (CRM) Code which required firms to reimburse customers who have been the victim of a scam in most circumstances, I'm satisfied this code doesn't apply here. This is because the CRM Code excludes card and international payments.
- I'm satisfied Santander did make efforts to recover Mr and Mrs C's funds but unfortunately, they were unsuccessful as they were transferred to the scammers' crypto wallet where they would've been emptied.
- The Payment Services Regulations 2017 (PSR) is 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 and Mrs C 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 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.

With the above PSR in mind I first considered each of the five payments to determine whether Santander should've recognised that Mr and Mrs C were at risk of financial harm and put in place proportionate interventions to mitigate the risk.

Payment 1 and 2 – both for the same amount of £13,931.19

Prior to these two payments being released, Santander's fraud prevention system did block earlier payment attempts to this payee and flagged them for a human intervention which was explained to Mr C as being for 'extra checks' and 'validation'.

I wouldn't have expected the individual amounts here to have looked unusual, due to Mr and Mrs C having made larger payments. However, the combined amounts were large, and these were the first payments being made to a company in eastern Europe that the FCA had issued warnings for. So, as there was a risk (including duplication) for Santander to probe, I consider this to have been proportionate action.

Payment 3 - £1,857.49

This was for a relatively low amount and with the payee established, and Santander's system registering an intervention for payments 1 and 2, I wouldn't have expected any intervention on this payment. And I can't see that one occurred.

Payment 4 - £14,131.97

This was to a new payee and Santander would've known it was to a crypto exchange. However, Santander have to balance when to intervene and in 2019 this wouldn't have stood out as unusual as their customers make thousands of such payments each day. So, I wouldn't have expected any intervention on this payment, and I can't see that one occurred.

Payment 5 - £47,392.23

This was a large payment for Mr and Mrs C's account and meant that in less than one week they were paying £61,524.20 to the same payee. So, I would've expected Santander to have recognised this as being unusual and high-risk payment, plus notice that there was an additional risk of it being to a crypto provider. So, I would've expected Santander to have put in place another human intervention and I can't see any evidence that Santander completed any analysis and intervened.

The effectiveness of the only intervention Santander can evidence

As Santander did recognise a risk prior to payment 1 and 2 and an agent said they were undertaking 'extra checks' and 'validation', I listened to the call recording. This was to see if it was an effective intervention and understand why Mr C still went ahead with the payments which should've been identified as having several risk factors as Mr and Mrs C were paying a high amount of money to:

- An overseas company advertised on social media and not approved by the FCA. Also, with some FCA concerns about fraudulent trading companies in that country.
- Companies which he had completed little research on, appears to have little internet presence and he hadn't professionally verified – including the adviser.
- An investment offering returns that were too good to be true and which he hadn't yet made any withdrawals from.

I expected the call to have started by asking Mr C the reason for the payments and then probing questions to provide fraud and scam warnings and education (bringing the most likely scams to life) and to gather information to detect a possible fraud or scam.

I found the call to be inadequate. It lasted for just three minutes and, in that time, the only questions the agent asked Mr C, that were relevant to payment 1 and 2, were if:

- He was happy with all the details of where the funds were going? (which he said 'yes')
- Anybody had asked him to make the payment? (which he said 'no')

The agent didn't ask the reason for payment and then probe to educate, provide warnings and advice and look to detect a fraud or scam. Although Mr C had been encouraged to make the payment, as the agent didn't ask the reason, she didn't understand the investment context. So, I don't think it can be inferred that Mr C gave an incorrect answer when he thought he was voluntarily paying money into his investment account.

Although I appreciate the time gap, as Santander haven't provided any evidence of further interventions and I consider this intervention to have been ineffective, I then considered what would've happened if an agent had been more diligent.

Having considered Mr C's testimony and dialogue he had with the scammer, I have no reason to believe that he wouldn't have been honest and told the agent about the investment such as where he had seen it, the companies involved and the likely returns.

Although in July 2019 I don't think an agent would've been able to categorically say it was a scam investment, I think it more likely than not that a diligent agent would've, having asked probing questions and receiving honest answers:

- Become suspicious and concerned that Mr and Mrs C were being scammed.
- Given educational information on investment scams and explained:
 - How scammers operate, including advertising on social media pretending a celebrity has endorsed their fake company name, receiving payment in crypto (for which warnings were published 2018), showing fake returns and asking victims to share their devices.
 - The importance of investing in companies approved by the FCA and, if not, checking FCA alerts (although an alert about Company W had not yet been issued), undertaking comprehensive research and seeking professional advice before making the payment.
- Warned him that he could lose all his money.
- Blocked the payment to give Mr C time to consider the information and warnings.

Although I can't be certain, on balance of probabilities, I think it more likely than not that had the agent been more diligent on Mr C's attempts to make payment 1 and 2 then Mr C would've stopped, contemplated, completed research and advice and not gone ahead. So, I think Santander could've prevented his loss and are therefore liable.

Having established that a better human intervention prior to payment 1 would've more likely than not uncovered the scam and prevented any further loss, I then looked at:

Contributory negligence

There's a general principle that consumers must take responsibility for their decisions. Although I recognise how clever these cruel scammers were and in no way blame Mr and Mrs C for being scammed, I think (as he agrees with the investigator's view) he realises he should've been more diligent before making the payments. I say this because he should've undertaken greater research on both Company W and J, completed due diligence checks on Company W (including regulatory approval), sought professional advice (including paying in crypto), checked he could make withdrawals and seen the returns as being too good to be true.

Putting things right

Having considered all the above, I think both the business and customer should've done more here. Santander should've put in place a better intervention prior to payment 1, which would've likely stopped the scam payments and then led to the scam unravelling, and Mr C should've been more diligent. So, I think it is only fair and reasonable for liability to be shared.

So, my decision is to partially uphold this complaint, and I require Santander to:

- Provide Mr and Mrs C with a refund of 50% of their loss from payment 1. This is £45,622.03.
- Pay 8% simple interest on payments 1 to 5 from date of loss to date of settlement.

My final decision

For the reasons mentioned above, my final decision is to partially uphold this complaint against Santander UK Plc, and my requirements are detailed in the above 'Putting Things Right' section of this decision paper.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr C to accept or reject my decision before 4 March 2026.

Paul Douglas
Ombudsman