

The complaint

Mr S complains Santander UK Plc (“Santander”) hasn’t refunded funds he lost as the result of a scam after saying it would.

What happened

Both parties are familiar with the circumstances of the complaint, so I’ll only summarise the key details here.

With his permission, Mr S’s mother made a £1,398 payment for a holiday using his credit card to what was believed to be a legitimate travel agent but Mr S found to be a scam.

Mr S complained to Santander, and his complaint wasn’t upheld. Unhappy with Santander’s response, he raised the matter with the Financial Ombudsman Service. One of our Investigators looked into the complaint and didn’t uphold it

As an agreement could not be reached, the complaint has been passed to me for 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.

I’m sorry that Mr S has been the victim of a scam. I realise he’s lost a meaningful sum of money and I don’t underestimate the impact this has had on him. And so, I’d like to reassure him that I’ve read and considered everything he’s said in support of his complaint. But I’ll focus my comments on what I think is relevant. If I don’t mention any specific point, it’s not because I’ve failed to take it on board and think about it, but because I don’t think I need to comment on it to reach what I think is a fair and reasonable outcome. I know this will come as a disappointment to Mr S but having done so, I won’t be upholding his complaint for broadly the same reasons as our Investigator. I’ll explain why.

In broad terms, the starting position at law is that banks and other payment service providers are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer’s account.

In approving the payment via his banking application Mr S authorised the payment in question here – so even though he didn’t intend for his money to end up in the hands of a scammer, he is presumed liable in the first instance.

But as a matter of good industry practice, Santander should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: as while banks and Electronic Money Institutions should be alert to

fraud and scams to act in their customers' best interests, they can't reasonably be involved in every transaction.

I've also thought about the Contingent Reimbursement Model which Santander is a voluntary signatory of. The code isn't relevant here as the payment was made by card and the code doesn't cover card payments.

I've thought about whether Santander acted fairly and reasonably in its dealings with Mr S when the payment was made, or whether it should have done more than it did. In doing so I've considered what Santander knew about the payment at the time it received the payment instruction and what action, if any, Santander took prior to processing the payment.

I don't think the payment was of an unusually excessive value that it ought to have caused Santander to be concerned that Mr S was potentially falling victim to a scam and the payment was made to a legitimate merchant which won't have caused Santander to be suspicious. So, I don't think the payment was suspicious in nature to suggest to Santander that Mr S was at a heightened risk of financial harm from fraud. I therefore don't think it was unreasonable for Santander to process the payment in-line with his instruction to do so.

I've thought about whether there's anything else Santander could have done to help Mr S — including if it took the steps it should have once it was aware that the payment was the result of fraud.

After the payment was made, the only potential avenue for recovery of the payment would have been through the chargeback scheme. The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. Santander is bound by the card scheme provider's chargeback rules. Whilst there is no 'right' to a chargeback, I consider it to be good practice that a chargeback be raised if there is a reasonable chance of it succeeding. But a chargeback can only be made within the scheme rules, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. Time limits also apply. Unfortunately, the chargeback rules don't cover scams.

I've listened to the call Mr S had with Santander to raise the payment as fraudulent. Mr S confirmed he didn't make the payment and wasn't aware of it. During the call the advisor told Mr S he'd receive a refund but later clarifies that a reimbursement is made if the transaction is found to be fraudulent. I can see why Mr S was expecting a refund based on this call.

However, I can also see that Santander gave him information based on the circumstances of the matter as provided by Mr S which were incorrect. In this case Mr S's mum made the payment with his permission, which isn't what he told Santander during the call. Santander provided information on the basis that Mr S's card had been used without his permission and so the transaction was unauthorised. Its investigation found the transaction had in fact been authorised by Mr S in his banking application and he confirmed he allowed his mum to use his card for a payment she wanted to make for a holiday. At which point Santander said no refund was due.

I therefore don't think any compensation is warranted as I don't find Santander misadvised Mr S as it gave information based on the inaccurate circumstances presented by Mr S. So, while I appreciate it would have been disappointing for Mr S to be under the impression he'd get his money refunded only to be told he wouldn't, but this wasn't a failing on Santander's part, rather it advised him of the process for unauthorised payments, which this later turned out not to be.

I'm sorry to disappoint Mr S further, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Santander needs to refund Mr S's money or pay any compensation. I realise this means he's out of pocket and I'm really sorry he's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 23 February 2026.

Charlotte Mulvihill
Ombudsman