

The complaint

Mr and Mrs R complain that Santander UK Plc (Santander) is refusing to refund them the amount they say Mr R lost as the result of a scam.

Mr and Mrs R are being represented by a third party. To keep things simple, I will refer to Mr and Mrs R throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr R has said that he was introduced to several investment/job scams by a trusted friend and attended events in person where he met fellow investors.

Mr R made payments in relation to what he says were an investment scam with The 1000 club, a cryptocurrency investment scam with Ultima, and a job scam with Vidilook.

Mr and Mrs R have disputed the following payments:

Payment	Date	Payee	Payment Method	Amount
1	19 January 2023	ClubSwan	Card Payment	£88.90
2	19 January 2023	ClubSwan	Card Payment	£177.79
3	20 January 2023	ClubSwan	Card Payment	£1,022.32
4	20 January 2023	ClubSwan	Card Payment	£8.89
5	27 January 2023	ClubSwan	Card Payment	£17.71
6	27 January 2023	ClubSwan	Card Payment	£251.48
7	30 January 2023	ClubSwan	Card Payment	£129.56
8	3 February 2023	ClubSwan	Card Payment	£150.89
9	5 February 2023	ClubSwan	Card Payment	£550.00
10	11 February 2023	ClubSwan	Card Payment	£8.92
11	11 February 2023	ClubSwan	Card Payment	£8.89
12	11 February 2023	ClubSwan	Card Payment	£17.84
13	11 February 2023	ClubSwan	Card Payment	£1,115.30
14	11 February 2023	ClubSwan	Card Payment	£26.77
15	15 February 2023	ClubSwan	Card Payment	£35.50
16	1 March 2023	ClubSwan	Card Payment	£176.76
17	17 March 2023	ClubSwan	Card Payment	£70.76
18	3 April 2023	ClubSwan	Card Payment	£1,251.84
19	6 April 2023	ClubSwan	Card Payment	£1,277.28
20	13 April 2023	ClubSwan	Card Payment	£1,500.00
21	17 April 2023	ClubSwan	Card Payment	£1,505.32
22	20 April 2023	Cryptopay.me	Card Payment	£10.00
23	21 April 2023	ClubSwan	Card Payment	£13.25
24	1 May 2023	ClubSwan	Card Payment	£354.95
25	13 May 2023	ClubSwan	Card Payment	£870.28

26	13 May 2023	ClubSwan	Card Payment	£87.03
27	15 May 2023	ClubSwan	Card Payment	£174.69
28	11 June 2023	CPS Solutions	Transfer	£10.00
29	11 June 2023	Payward Ltd	Transfer	£20.00
30	11 June 2023	CPS Solutions	Transfer	£400.00
31	11 June 2023	CPS Solutions	Transfer	£585.00
32	11 June 2023	CPS Solutions	Transfer	£700.00
33	15 June 2023	CPS Solutions	Transfer	£1,000.00
34	16 June 2023	CPS Solutions	Transfer	£2,000.00
35	16 June 2023	CPS Solutions	Transfer	£2,200.00
36	18 June 2023	CPS Solutions	Transfer	£850.00
37	28 June 2023	CPS Solutions	Transfer	£200.00
38	4 July 2023	CPS Solutions	Transfer	£2,150.00
39	9 July 2023	CPS Solutions	Transfer	£2,200.00
40	26 July 2023	CPS Solutions	Transfer	£10.00
41	8 August 2023	CPS Solutions	Transfer	£2,000.00
42	8 August 2023	CPS Solutions	Transfer	£2,000.00
43	8 August 2023	CPS Solutions	Transfer	£100.00
44	10 August 2023	CPS Solutions	Transfer	£500.00
45	10 August 2023	CPS Solutions	Transfer	£40.00
46	10 August 2023	CPS Solutions	Transfer	£20.00
47	12 August 2023	CPS Solutions	Transfer	£1,000.00
48	13 August 2023	CPS Solutions	Transfer	£600.00
49	22 September 2023	CPS Solutions	Card Payment	£8.54

Our Investigator considered Mr and Mrs R's complaint and didn't think it should be upheld. Mr and Mrs R didn't agree, so this complaint has been passed 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.

Not every complaint referred to us and categorised as an investment scam is in fact a scam. Some cases simply involve high-risk investments that resulted in disappointing returns or losses.

If I were to consider Mr and Mrs R's complaint as though a scam had taken place the question I would need to ask is, should Santander have reasonably prevented the payments Mr R made?

It has been accepted that Mr R authorised the payments that were made from his account with Santander. So, the starting point here would be that Mr R is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Santander should have been aware of the scam (if one had taken place) and intervened when Mr R made the disputed payments. And if it had intervened, would it have been able to prevent the payments taking place.

Mr R made all the payments listed above to cryptocurrency exchanges. These types of payments do have a higher associated risk, but it would not be reasonable of me to suggest

that Santander should intervene every time one of its customers makes a cryptocurrency related payment. Especially if the payments were not significantly high in value.

With the above in mind, I would not have expected Santander to have concerns about most of the payments Mr R has disputed, most of the payments were relatively low in value with the overall value of the payments made each day also relatively low.

However, when Mr R made payment 35 he was making a second payment the same day bringing the total amount sent that day to a more significant total of £4,200. Similarly, when Mr R made payment 42 he was sending a total amount of £4,000 in the same day. On both occasions the payments were being made in relation to cryptocurrency, and I think Santander should have had concerns that Mr and Mrs R could have been at risk of financial harm.

A proportionate intervention to the risks associated with both payments would have been for Santander to have discussed the payments with Mr R to get a better understanding of why they were being made and to have provided an appropriate warning.

Prior to payment 35, the transfers Mr R made were in relation to the two separate investments with Ultima and Vidilook. It stands to reason that as I think it was reasonable that Santander didn't intervene when those payments were made, I would not be able to hold Santander responsible for the loss Mr and Mrs R suffered because of them.

And even if Santander had intervened at payments 35 and 42, I don't think it would have made a difference. This is because:

Santander intervened when Mr R attempted two other payments.

On 15 June 2023 when Mr R attempted to make payment 33 Santander held the payment and a call between Mr R and Santander took place. Mr R confirmed he was making the payment to Cryptopay (CPS) and he had used CPS several times that weekend, he had carried out checks and used the company before.

Santander then provided a warning to Mr R, it explained that most of the cryptocurrency scams it sees involve someone helping you or having access to your account or wallet. Mr R said it was just him and it was his own personal account. He then confirmed no one had asked him to lie or mislead the bank, he had not been told to move his money to keep it safe, and he was making the payment of his own freewill.

On 8 August 2023 when Mr R attempted to make payment 42 Santander held the payment again and a call between Mr R and Santander took place. Mr R confirmed he was making the payment to CPS for the value of £2,000. Santander explained the importance of giving honest answers, scammers could ask you to mislead the bank and it would be difficult to get any money back. Mr R confirmed he had not been contacted by a third party, he was not pressured to make the payment, and he had not been told his account was at risk. It was *"purely of my own head, something that I'm doing"*.

When Mr R was asked the purpose of the payment he said

"it's going into my crypto wallet" and he had done similar payments before, and that the money does come back.

Santander warned that they are very cautious with cryptocurrency payments as it can very easily be used by scammers.

Mr R confirmed that he had setup the account himself on his own phone and had access to his own funds.

Considering Mr R gave the impression he was making the payments to his own cryptocurrency wallet, by himself, I think the warnings given by Santander were reasonable. But even if Mr R had explained what he was doing in more detail I still don't think the payments would have been prevented.

Mr R would, in the best-case scenario, have shared the background leading to the payments. That a friend he had known for some time had introduced him to an investment opportunity, that he had carried out his own research, and he had attended in person events where he had met fellow investors.

At the most I would have expected Santander to have advised Mr R to have carried out further research, and as at the time it doesn't appear there was sufficient information available to support that The 1000 club was operating a scam, I think it's unlikely Mr R would have been deterred from making this, or any other payment.

In summary, having considered all the available information, I don't have enough to say that at the time Mr R made the disputed payments he was falling victim to a scam.

Even if I was to say Mr R had fallen victim to a scam, I don't think it was unreasonable that Santander didn't intervene when he made payments in relation to Ultima and Vidilook, and I think the interventions Santander carried out when Mr R made payments in relation to The 1000 club were sufficient.

So, I don't think Santander missed an opportunity to prevent Mr and Mrs R's loss and it would not be reasonable for me to ask it to issue a refund.

Recovering the payments Mr R made

Mr R made the disputed payments via his card and transfer. But the payments were made in exchange for cryptocurrency. As it took further steps for those funds to end up in the hands of the investment company/scammer, any attempt to recover the funds would have no prospects of success.

I understand that Mr R feels the payments he has disputed should be refunded in accordance with the CRM Code. But the code only applies when domestic payments (as the result of a scam) are sent to another person. Here I can't be certain that a scam took place and in any event Mr R made the payments to an account held in his own name, and the loss occurred when his purchased cryptocurrency was moved from that account. I'm satisfied the CRM Code wouldn't apply in this scenario.

I would like to extend empathy to Mr and Mrs R for the situation they now find themselves in, but I can't reasonably hold Santander responsible for their loss or ask it to refund them.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R and Mrs R to accept or reject my decision before 6 March 2026.

Terry Woodham

Ombudsman