

The complaint

Miss R is being represented by solicitors. She's complaining about Santander UK Plc because it declined to refund money she lost as a result of fraud.

What happened

Sadly, Miss R fell victim to an investment scam after she responded to an advert on social media and was added to an online chat group with other 'investors'. She used her Santander account to make payments of £440 on 28 August and £4,000 on 5 September 2024. The payments went to an authorised investment broker.

Bank statements show Miss R received returns of £500 and £212 from the exchange later on 5 September. But I understand the rest of her money was lost to the scam.

My provisional decision

After the complaint was referred to me, I issued my provisional decision setting out why I didn't think it should be upheld. My reasons were as follows:

There's no dispute that Miss R authorised these payments. In broad terms, the starting position at law is that a bank is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, 'authorised' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Santander also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Santander acted fairly and reasonably in its dealings with Miss R.

The payments

I must take into account that many similar payment instructions Santander receives will be entirely legitimate and I also need to consider its responsibility to make payments promptly. Having considered what Santander knew about these payments

at the time, I'm not persuaded it ought to have been particularly concerned about them.

Firstly, I'm conscious the payments went to a legitimate investment broker. While the broker may facilitate cryptocurrency transactions, which the bank should have known presented a higher risk of being associated with fraud, it also facilitates trades in other forms of investment that don't have the same degree of association. So I don't think there was anything about the destination of the payments alone that meant the bank should have identified Miss R was at risk of harm from fraud.

I must also take into account that Miss R made only two payments, both of which were relatively low in value, and that these were spread out over a period of more than a week. This means a pattern of multiple, rapid and high value payments consistent with many known scams hadn't begun to emerge. If Miss R had made larger or more payments to the same destination, or if the payments had gone to an exchange that dealt solely with cryptocurrency, I'd be more persuaded by the argument that Santander should have at some point suspected she was at risk of harm from fraud and intervened to question her about them. But based on the payments she did actually make, I don't think further intervention of this type was warranted.

Based on the circumstances of the payments in this case, I don't think there were sufficient grounds for Santander to think Miss R at risk of financial harm from fraud and I can't reasonably say it was at fault for processing them in line with her instructions.

I want to be clear that it's not my intention to suggest Miss R is to blame for what happened in any way. She fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why she acted in the way she did. But my role is to consider the actions of Santander and, having done so, I'm not persuaded these were the cause of her losses.

Recovery of funds

I've also looked at whether Santander could or should have done more to try and recover Miss R's losses once it was aware that the payments were the result of fraud.

The mechanism for claiming a refund of card payments is the chargeback scheme. This is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law. I'd only have expected Santander to have raised a chargeback claim if it was likely to be successful and it doesn't appear that would have been the case here. In addition to the fact the rules don't normally cover transactions authorised in the way these payments were, it appears that Miss R didn't notify Santander until after the normal deadline for pursuing a chargeback claim had expired.

In any event, Miss R paid a legitimate broker and would have received a service that involved purchasing assets and transferring them to the eventual recipients (albeit the recipients' details were provided by the scammers). Her disagreement is with the scammers, not the trading exchange, and it wouldn't have been possible for Santander to process a chargeback claim against the scammers as she didn't pay them directly.

In the circumstances, I don't think anything that Santander could have done differently would likely to have led to Miss R's money being recovered successfully.

In conclusion

I recognise Miss R has been the victim of a cruel scam and I'm sorry she lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I currently think Santander acted fairly and reasonably in its dealings with her and I don't propose to tell it to make any refund.

The responses to my provisional decision

Miss R didn't accept my provisional decision and her representative made the following key points:

- While there were only two payments made over the course of a week, it's important to note that the second was nearly ten times the amount of the first. This significant increase in value was inconsistent with Miss R's previous account activity and should have prompted intervention from the bank.
- Additionally, the payment was made to a broker linked to high-risk investments, which further warranted additional scrutiny.
- There's no evidence that Miss R was being coached by the scammers. Had the relevant questions been asked at the time, it's likely the scam would have been uncovered.

Although two credits were received, these came after the second payment had already been made.

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 findings haven't changed from those I set out previously. I haven't necessarily commented on every single point raised. I've concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

I understand the points raised by Miss R's representative, but it remains my view that a pattern consistent with many known types of fraud hadn't begun to emerge. In particular, I'm conscious that there were only two payments and these weren't made in rapid succession. And while the broker did deal in cryptocurrency, it also facilitated other forms of investment that wouldn't necessarily have been a cause for concern. If Miss R had made larger or more payments to the same destination, or if the payments had gone to an exchange that dealt solely with cryptocurrency, I'd be more persuaded by the argument that Santander should have suspected she may be at risk of harm from fraud and intervened in the payment process. But based on the payments she did actually make, I don't think further intervention of this type was warranted.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 2 February 2026.

James Biles
Ombudsman