

The complaint

Mr L complains that Santander UK Plc won't refund the money he lost when he was the victim of what he feels was a scam.

What happened

In January 2025, Mr L was contacted by a builder and told it appeared he needed some repair work done to the roof of his property. Mr L agreed for the builder to carry out the repairs but, after the builder then inspected the roof further, they said he would actually need his entire roof replaced.

Mr L made two payments from his Santander account to the builder for this roof replacement. But as the work was being done, the builder told Mr L he also needed further work doing, including replacement of further parts of the roof, internal plastering and replacing guttering and pipework. And Mr L then made a number of further payments to the builder for this work.

I've set out the payments Mr L made from his Santander account to the builder below:

Date	Amount
29 January 2025	£5,000
30 January 2025	£5,000
3 February 2025	£4,000
3 February 2025	£4,000
5 February 2025	£5,000
6 February 2025	£5,000
10 February 2025	£5,000
11 February 2025	£3,000
11 February 2025	£2,000
12 February 2025	£5,000
18 February 2025	£5,000
19 February 2025	£5,000
21 February 2025	£5,000
28 February 2025	£5,000

After these payments, Santander restricted Mr L's account following a report it received from Trading Standards. And after speaking with Santander and Trading Standards, Mr L became concerned he had been overcharged for the work and had been the victim of a scam.

Santander investigated but felt this was a private dispute between Mr L and the builder, rather than a scam. So it didn't agree to refund the payments he had made. Mr L wasn't satisfied with Santander's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think Santander had acted unfairly in rejected Mr L's claim. Mr L disagreed with our investigator, so the complaint has been passed to me.

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 broad terms, the starting position in law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. However, where the customer made the payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payment.

The Payment Systems Regulator introduced the APP Scam Reimbursement ("ASR") rules on 7 October 2024 to reimburse consumers who are the victims of APP scams in certain circumstances. However, the rules only apply where the customer has been the victim of an APP scam, which the rules define as:

"Where a person uses a fraudulent or dishonest act or course of conduct to manipulate, deceive or persuade a Consumer into transferring funds from the Consumer's Relevant account to a Relevant account not controlled by the Consumer, where:

- The recipient is not who the Consumer intended to pay, or*
- The payment is not for the purpose the Consumer intended"*

The rules also specifically outline that private civil disputes are not covered. And a private civil dispute is defined in the rules as:

"a dispute between a Consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty."

In its published policy statement PS23/3, the Payment Systems Regulator gave further guidance:

"Civil disputes do not meet our definition of an APP fraud as the customer has not been deceived [...] The law protects consumer rights when purchasing goods and services, including through the Consumer Rights Act."

It also provided an example of a civil dispute:

"...such as where a customer has paid a legitimate supplier for goods or services but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier."

So in order to determine whether Mr L has been the victim of a scam as defined in the ASR rules, I need to consider whether the payments were made for the purpose he intended and then, if they weren't, whether this was the result of fraud or dishonesty on the part of the builder.

I've thought very carefully about this, and I think it's a finely balanced matter in this case. But where the evidence available is unclear or inconclusive, I must make my decision on what I think is more likely to have happened, based on the evidence I do have.

I'm satisfied Mr L made the payments here for the purpose of paying for work they had agreed the builder would carry out. But I'm not persuaded I can safely conclude that the purpose the builder intended for the payments was different to this, or that Mr L's and the builder's purposes for the payments weren't the same.

From what Mr L has said and the evidence he's provided it appears the builder carried out most, if not all, of the work that was agreed. Mr L hasn't suggested that any significant parts of the agreed work haven't been completed. And the evidence he's provides suggests the builder carried out work on the front, rear, bay window and rear-pitched roofs, rendered parapet walls, installed new guttering and pipes and carried out a number of other pieces of work in connection to the roofs. So, on the face of it, the builder carried out at least most of the agreed work, which I think suggests their intention for the payments was to pay for the work to be done.

I appreciate that Mr L has provided significant evidence, including a report from an independent surveyor, to show that the work carried out by the builder was of a poor quality, some of the work was likely not necessary and he has paid more than might be expected for the work. But while I don't doubt that this is the case, I think these issues more closely resemble dissatisfaction with a supplier of goods or services, or a complaint about the quality of services received. And, as I explained above, these kinds of civil disputes are specifically excluded from the definition of a scam under the ASR rules.

Mr L has also said the builder pressured or coerced him into agreeing for additional work to be done, didn't provide proper written contracts or confirmation of the full cost and all the work to be done, and didn't apply for necessary planning permissions. And while I think this suggests the builder wasn't acting as I might expect a professional tradesperson to do, acting unprofessionally is not the same as operating a scam. And I don't think these behaviours necessarily mean the builder didn't intend to carry out the agreed work.

The bank the payments were made to has told us it doesn't have any scam concerns in relation to the activity on the account or any scam claims it has received. I've also seen evidence relating to the account the payments were made to, and while I can't share any details of this evidence, I don't think it suggests the account was being used to operate a scam.

And while I understand Trading Standards is investigating the actions of the builder, I also haven't been provided with evidence of any investigation by an external organisation which concludes that the builder was operating a scam, as defined in the ASR rules, in relation to the payments Mr L made here.

So I'm not persuaded the available evidence is sufficient to safely conclude that the purpose the builder intended for these payments was different than the purpose Mr L intended, or that the payments weren't made for the purpose Mr L intended. I think it's likely both Mr L's and the builder's intended purpose for the payments was the same – to pay for the agreed work to be carried out.

And so I think Santander has acted reasonably in saying the circumstances here don't meet the definition of a scam from the ASR rules, and in not agreeing to refund the payments Mr L has complained about.

I also don't think there are any other grounds on which it would be fair and reasonable to require Santander to refund the payments Mr L made here.

I sympathise with the position Mr L has found himself in. I recognise he has paid a significant amount of money for work that may not have been necessary or hasn't been completed to a

standard he is happy with. I'm also in no way saying he did anything wrong or that he doesn't have a legitimate grievance against the builder. But I can only look at Santander's responsibilities here and, for the reasons I've explained above, I don't think it would be fair to require Santander to refund the payments he has complained about.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 27 February 2026.

Alan Millward
Ombudsman