

The complaint

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

Mr and Mrs C are being represented by a third party. To keep things simple, I will refer to Mr and Mrs C 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, Mrs C was browsing social media when she came across an investment company I will call "X" that appeared to be endorsed by two well-known celebrities. Mrs C completed an online data capture form and was contacted directly by X.

X appeared professional and knowledgeable about investments and explained it would take a small commission by way of payment.

Mrs C did some online research and as X appeared to be genuine, she decided to invest. The onboarding process was professional and required Mrs C to provide identification documents to sign up. Mrs C was also provided with access to what appeared to be a genuine trading platform.

Mrs C started to make payments and could see she was making a profit, she was even able to make a withdrawal from the investment which she says made it look more legitimate. But when Mrs C attempted to make a larger withdrawal, she was given various reasons why she would have to make further payments first.

Having made several more payments Mrs C was still unable to withdraw her funds and realised she had fallen victim to a scam.

Mr and Mrs C have disputed the following payments made from their Santander account in relation to the scam:

<u>Payment</u>	<u>Date</u>	<u>Payee</u>	<u>Payment Method</u>	<u>Amount</u>
1	25 April 2024	Tap Global	Debit Card	£4,000
2	25 April 2024	Tap Global	Debit Card	£1,000
3	26 April 2024	Tap Global	Debit Card	£5,000
4	27 April 2024	Tap Global	Debit Card	£5,000
5	28 April 2024	Tap Global	Debit Card	£5,000
6	29 April 2024	Tap Global	Debit Card	£5,000

Our Investigator considered Mr and Mrs C's complaint and thought it should be upheld in part. Santander 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.

It has not been disputed that Mr and Mrs C have fallen victim to a cruel scam. The evidence provided by both Mr and Mrs C and Santander sets out what happened. What is in dispute is whether Santander should refund the money Mr and Mrs C lost due to the scam.

Recovering the payments Mrs C made

Mrs C made payments into the scam via debit card. When payments are made by card the only recovery option Santander has is to request a chargeback.

But the payments Mrs C made didn't go to the scammer directly, instead they went to another account in Mrs C's own name, if any funds remained in that account they would remain in Mrs C's control and not require recovery. In any event Mr and Mrs C have confirmed that those funds were moved on from the other account in relation to the scam. So, any attempt to recover the payments Mr and Mrs C have disputed would have no prospects of success.

Should Santander have reasonably prevented the payments Mrs C made?

It has been accepted that Mrs C authorised the payments that were made from Mr and Mrs C's account with Santander, albeit on X's instruction. So, the starting point here is that Mr and Mrs C are 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 and intervened when the payments were being made. And if it had intervened, would it have been able to prevent the scam taking place.

I don't think the first two payments made in relation to the scam would reasonably have caused Santander to have concerns. The payments were not that significant in value and went to an account in Mrs C's own name. Although when Mrs C made payment 3 she had sent a significant amount in just two days, and I think Santander should have had concerns that Mr and Mrs C could have been at risk of financial harm, and it should have intervened.

I think that a proportionate intervention to the risk associated with payment 3 would have been for Santander to have discussed the payment with Mrs C with a view of finding out what had led to the payment being made, and to have provided her with an appropriate warning.

I can see that Santander did intervene when the last four payments were made and calls between Mrs C and Santander took place. Santander has provided a copy of these call recordings.

When Santander intervened on the payments 3, 4 and 5 it asked a minimum number of questions and didn't provide an appropriate warning. I think Santander should have gone further and asked additional questions during these calls, but I don't think further questioning would likely have made a difference. I say this because it is clear from the conversations Mrs C was having with X (messages provided to us), that Mrs C was willing to continue with X's

instructions to have the payments processed even though this meant not being honest with her bank.

When Mrs C made payment 6 Santander intervened again. During this call Santander provided a warning covering some of the aspects of the scam Mrs C was experiencing. Santander warned Mrs C that:

- Scammer's often use fake celebrity endorsements
- If something looks too good to be true it usually is
- Scammers can help setup other accounts
- Most cryptocurrency investments are not regulated which means there is no protection

However, during the same call Santander also uncovered that the payment was related to cryptocurrency. Mrs C confirmed she had heard about the investment via social media and had been offered higher than normal returns.

Although Mrs C decided to continue with the payment having received warnings relevant to the scam she was experiencing, I think the information obtained during this call should have caused Santander to have concerns and it should have intervened further than it did. Santander could have asked more probing questions or asked Mrs C to attend a branch to discuss the payment in person. But Santander didn't probe any further and instead allowed the payment to be processed.

Had Santander intervened further as I think it should have when payment 6 was made, I think it's likely the scam would have been uncovered and Mr and Mrs C's loss from payment 6 could have been avoided. Santander is therefore responsible for Mr and Mrs C's loss from payment 6.

Did Mr and Mrs C contribute to the loss.

Despite regulatory safeguards, there is a general principle that consumers must still take responsibility for their decisions (see s.1C(d) of our enabling statute, the Financial Services and Markets Act 2000).

In the circumstances, I do think it would be fair to reduce compensation by 50% on the basis that Mrs C should share blame for what happened. I think there were some clear red flags Mr and Mrs C should have taken notice of:

- Warnings provided by Santander relevant to the scam
- Mrs C had found the investment via social media
- Mrs C was communicating with X via a messaging application
- X had told Mrs C not to give information to her bank about the payments

Had Mr and Mrs C taken more care and considered the red flags above, they could have sought independent advice, whether that been professional advice, or that of family and friends before making substantial payments. Had Mr and Mrs C taken more care, I think they could also have avoided the scam.

Putting things right

To put things right I require Santander UK Plc to:

- Refund 50% of payment 6 to Mr and Mrs C
- Pay 8% simple interest per year on the amount it pays Mr and Mrs C from the date of

loss to the date the payment is made (less any lawfully deductible tax)

My final decision

I uphold this complaint and require Santander UK Plc to put things right by doing what I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs C to accept or reject my decision before 24 February 2026.

Terry Woodham
Ombudsman