

## The complaint

Ms P complains that Santander UK Plc ('Santander') won't refund a transaction she made with her credit card.

For completeness and in setting out the background of what's happened here in full, I note there is another complaint with our service in respect of a further £1,670 loss as part of the same set of circumstances. These payments were made from a different credit card account Ms P held with a different bank.

I also note that a further £41,000 loss has been considered by our service which was made as part of the same circumstances but that this complaint has been closed following an assessment by one of our Investigators. While I might refer to these payments in order to set out what happened here, I make no findings as to the closed complaint or £1,670 credit card loss as this is being considered under a separate complaint with our service.

## What happened

The circumstances that led to this complaint are well known to all parties, so I won't repeat them in detail here. But, in summary:

- Ms P made payments towards an investment into the development of a holiday lodge park with a company I'll refer to as 'B'. Ms P invested a total of £54,950.
- Ms P made credit card payments in December 2021 and January 2022, totalling £1,670 from an account she held with another credit card provider. In January 2022, Ms P also paid £3,500 from her Santander credit card towards the investment – which is the payment being considered under this complaint. A further £41,000 was sent via faster payments from an account she held with a different banking provider.
- Ms P was told the investment would see an annual return of 9% and she'd receive a quarterly return of around £1,236. After making the payments Ms P received a registration of Title, a plot certificate and a contract of agreement.
- Ms P says the land and the lodge do not exist - except on paper.
- Ms P complained to Santander in October 2024 and sought a refund of her funds under the Contingent Reimbursement Model Code ('CRM Code') and 'Section 75' of the Consumer Credit Act 1974 ('CCA'). Santander, having reviewed Ms P's claim, declined to refund the money she'd lost. Unhappy, she brought the complaint to our service.
- One of our Investigator's looked into things but didn't think the complaint should be upheld. She explained that based on the evidence there currently wasn't enough to say Ms P had fallen victim to an Authorised Push Payment ('APP') scam. It followed that she didn't think Santander had acted unfairly in allowing the credit card payment to be made. She considered the amount to be low in value and didn't think it ought to have caused Santander concern. Our Investigator also explained that the CRM Code wasn't applicable to the payment Ms P made as it doesn't cover card payments.

- Our Investigator explained that as the payment was made via Ms P's credit card, even in the event that materially new evidence came to light about B, there wouldn't be any further way to recover the money she'd lost. She said Ms P authorised the payment she made – and that owing to the value of the payment authorised, she wouldn't have expected Santander to have intervened. She said the credit card payment was also not covered by Section 75 of the CCA because the overall investment amount of £54,950 exceeded the financial limits that apply. Our Investigator added that a chargeback claim wouldn't be eligible because the payment was made to a legitimate merchant at the time and so the service was provided.
- Ms P disagreed with our Investigator. She said our Investigator initially told her that where new evidence to support the case became available, she'd be able to re-open the case, but has since stated that this cannot happen. Ms P wished for the case to be progressed to the next stage of our process, on the basis that never being able to reopen the case was unfair and bias. Because an agreement couldn't be reached the case has now been passed to me for a decision.

I issued a provisional decision on this case on 15 December 2025, setting out why I didn't think the complaint should be upheld. In brief, having considered all the available evidence and arguments, I wasn't persuaded Ms P had fallen victim to an APP scam. When considering whether there was any other basis for which Santander ought fairly and reasonably to reimburse Ms P for the payment she made using her credit card - I didn't find that there were.

Neither Ms P nor Santander has responded to the provisional 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.

In my provisional decision I explained the following:

*"I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.*

*Santander was a signatory of the CRM Code, which requires firms to reimburse customers who have been the victims of APP scams, in all but a limited number of circumstances. However, the CRM Code does not cover debit or credit card payments, which is how Ms P made her payment of £3,500.*

*Our Investigator within her assessment set out why she didn't think the current evidence showed Ms P had fallen victim to an APP scam. Based on everything I've seen and been told, I'm in agreement with this for much of the same reasons – in that I can't safely conclude that Ms P made the payment as a result of falling victim to a scam here. I'll now explain my reasons why.*

*In order to determine if Ms P has been the victim of a scam, I have to consider if her intended purpose for the payment was legitimate, whether the intended purposes she and*

*the company she paid were broadly aligned and, if not, whether this was the result of dishonest deception on the part of the company – B. From everything I've seen and been told, I'm persuaded Ms P understood she was investing in the development of a holiday lodge park – which involved the development of the holiday site and, that in return for her investment she expected to receive annual and quarterly returns. Based on what I've seen and been told, I have no doubt that Ms P believed this to be a legitimate venture.*

*I've then thought about what purposes B had in mind for the payment it obtained from Ms P and whether these purposes were in line with the purpose Ms P had believed, or instead, if they were in fact fraudulent. In considering the purposes B and its linked companies had in mind, I've considered the following key information;*

- B and linked companies owned sites and either had, or sought, planning permission to build and develop holiday homes on these sites. This suggests that there was a genuine intention of B and those other companies to build and/or develop the sites.*
- The evidence available doesn't demonstrate that investors' funds were obtained fraudulently or solely for the personal benefit of the directors. I've been provided with no evidence to show that the funds weren't, in the main, used for business purposes.*
- B had formed relationships with other companies, seemingly with the intention of carrying out the development, each of which had been incorporated in the years prior to Ms P's investment.*
- A number of lodges had been installed, which were being let as intended and had received positive online reviews.*

*It's clear that there are large and complex ongoing investigations by both the administrators of the companies involved as well as the Police. I'm also aware that these investigations haven't yet drawn definitive conclusions as to whether the companies, or their directors, have acted fraudulently. For completeness, I should state that fraudulent activity by the companies or their directors may not automatically mean that Ms P's payment would then meet the definition of an APP scam, given any given activity found to be fraudulent may be unrelated to the purposes for which investors' funds were obtained and instead relate to other activities carried out by the companies.*

*To find that B was operating a criminal scam, I'd need to find that there is convincing evidence to show that fraud and criminality is the most likely explanation not one of a range of possibilities.*

*Whilst I have every sympathy for Ms P as she has lost a substantial amount of money, I have to keep in mind that many businesses and investments fail and enter administration for genuine reasons, and not because they were set up to defraud and scam people. Based on what we've seen and been told, I can't say that an APP scam is a more likely explanation.*

*In this case, Ms P made a payment toward a holiday lodge scheme that was purporting to develop the site and rent a lodge. The evidence I've seen doesn't sufficiently demonstrate that B didn't have the intention of carrying out and completing the developments and rentals at the time of the payment. It follows, that I don't find Ms P has fallen victim to an APP scam.*

*Furthermore, the payment Ms P made was by credit card and so, the CRM Code doesn't apply. Because of this, I will turn my attention to whether there are any other grounds in which I think Santander ought to reimburse Ms P the money she's lost.*

*Whilst banks have obligations to be alert to fraud and scams, there is no obligation to protect against bad bargains or to provide investment advice. As I'm not sufficiently persuaded B was operating a scam; I can't reasonably say Santander had an obligation to intervene in the payment Ms P made before it was sent. This means I can't reasonably*

*uphold this complaint on the basis that Santander failed to prevent Ms P's payment.*

*This said, even if I were to say Ms P had fallen victim to an APP scam here – which is not a finding I have made in this case – I'm afraid I still wouldn't recommend this complaint be upheld. It is not in dispute that Ms P authorised the credit card payment. Santander would generally be expected to process payments a customer authorises it to make. And under The Payment Services Regulations ('PSRs') and the terms and conditions of the account, Ms P is presumed liable for the loss in the first instance, in circumstances where she authorised the payment. That said, as a matter of good industry practice, Santander should have taken proactive steps to identify and help prevent transactions – particularly sufficiently unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there are many payments made by customers each day and it's not realistic or reasonable to expect a bank to stop and check every payment instruction. There's a balance to be struck between identifying payments that could potentially be fraudulent, and minimising disruption to legitimate payments.*

*Based on the specifics of the payment Ms P made, which include the size of the payment and it being an individual payment (not a series of payments), I'm not satisfied that it is so unusual or out of character that I would have expected Santander to have had concerns. Further, I don't think I can fairly say that this is a case where Santander could've prevented Ms P's loss at the time. I say this, given the information that likely was available about B at the time Ms P was asking to make the payment, and what I think Ms P more likely than not would've shared about the payment and B.*

*So, I don't find Santander did anything wrong by processing the payment Ms P asked it to make.*

## **Recovery**

*After the payment was made, as it was made by a credit card the only potential avenues for recovery of the payment would have been through a Section 75 claim, Section 56 of the Consumer Credit Act 1974 ('CCA') or the chargeback scheme.*

*Section 75 makes the provider of credit (Santander in this case) equally liable where there is a case of misrepresentation or breach of contract by the supplier of goods or services financed by the credit. However, it will only apply when all the criteria for a Section 75 claim are met. This includes the need for the cash price of each item disputed to be more than £100 and less than £30,000. In addition to this there needs to be a direct relationship between the debtor, creditor, and supplier otherwise known as a DCS agreement.*

*Having considered the evidence available, all the necessary criteria for a claim to be made under Section 75 haven't been met. I say this because, the cash price Ms P paid towards the investment exceeded the cash price financial limits allowed under a section 75 claim. Ms P invested a total of £54,950 as shown on the documentation I've seen (the agreement and offer and deposit receipt) which exceeds the less than £30,000 limit. All the criteria need to be met in order for a claim to be made under Section 75 and given that this is not the case here, I don't think Ms P has a valid claim against Santander under Section 75 of the CCA. I've also thought about Section 56 of the CCA, which says that any negotiations between the borrower and the supplier are deemed to have been conducted by the supplier as an agent of the credit provider.*

*For the purpose of this decision, I've used the definition of a misrepresentation as being an untrue statement of fact or law made by one party (or their agent) to a second party which induces that second party to enter the contract, thereby causing them loss.*

*Having looked at the documentation Ms P received – the agreement, the offer and deposit receipt, alongside all the other information provided, on balance, I can't safely say there was clear misrepresentation at the time of sale. I say this because, the agreement says that investors will be provided with a lodge plot deed and ownership certificate, which Ms P has shown she was. I'm also mindful that the agreement refers to annual quarterly payments, which I can see (under another complaint brought to our service), Ms P in correspondence with another bank shared that quarterly payments were received for two years. Beyond this, I've not seen any other persuasive evidence that shows Ms P was induced into the contract that turned out to be untrue.*

*For completeness, I've also considered whether Ms P was entitled to a refund under a chargeback claim. 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. Chargeback isn't an automatic right, and banks don't have to raise a chargeback where there isn't a reasonable prospect of success and there are strict time limits that apply here.*

*I've thought carefully about the payment of £3,500 Ms P made on 21 January 2022 and whether Santander ought fairly and reasonably to have done more in regard to raising a chargeback claim.*

*The timeframe for chargebacks is set by the card scheme, (in this case Mastercard), and not the card issuer (Santander). And the timeframe under the Mastercard scheme is 120 days. Ms P raised the matter with Santander in 2024, which was well outside of this timeframe. There are also circumstances where this timeframe might be extended to 540 days but given when Ms P raised the matter with Santander, the extended timeframe to raise a chargeback claim had also passed.*

*So, whilst our service would consider it good practice for a business to raise a chargeback if there was reasonable prospect of success – in this case the dispute was raised outside of the strict time limits that apply.*

*Regardless of this, I think it's helpful to note that even in the event that Santander raised a chargeback dispute – I think it was unlikely the chargeback would've been successful. I say this because, this is a complex dispute. And given the complexity of the dispute in this case – where there more likely than not would've been testimony on both sides, I think it would've been difficult for the card scheme to have adjudicated on. The card scheme, even where a dispute goes onto arbitration wouldn't have had the same powers to call on expert witnesses – like the courts would do. So, on balance, I'm not persuaded a chargeback claim likely would've been successful in the specific circumstances of this particular case.*

*It follows that I'm not persuaded Santander has done anything wrong.*

*I'm aware Ms P feels it's unfair that, even in the event that further information comes to light that indicates the investment company wasn't acting legitimately, that she'll be unable to re-open and progress this case with our service. I can appreciate how disappointing and frustrating this must feel and, how strongly she believes she's fallen victim to a scam. I know this will come as a disappointment to her, but for the reason's I've set out above, I can't fairly and reasonably say there are grounds on which I find Santander ought to reimburse the credit card payment she made.*

*Given the payment Ms P made was using her Santander credit card, I'm afraid the outcome reached won't change, even should information later be provided that indicates the investment was not genuine. This is because, any new material information will not have a bearing on the considerations I've set out above".*

Ms P did not respond to my provisional conclusions with additional information or arguments. Neither has Santander raised any further points or information.

In light of this, I see no reason to depart from the findings set out in my provisional decision (copied above), and for the same reasons.

In short, for the reasons detailed above, it is my final decision that Santander is not liable to reimburse Ms P the payment she made using her Santander credit card.

### **My final decision**

I do not uphold this complaint about Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 11 February 2026.

Staci Rowland  
**Ombudsman**