

## The complaint

Miss B complains that Santander UK Plc won't reimburse a payment she made from her bank account.

## What happened

Miss B used the services of a company I'll refer to as 'E' to export her horses to Italy. She says that she was unexpectedly asked to pay import tax (separate to the price she paid E to export her horses) whilst the horses were held at customs, and she believes she has been scammed.

Miss B raised a fraud claim with Santander. Santander declined to reimburse Miss B under the provisions of the Lending Standards Board's Contingent Reimbursement Model ('CRM Code'). It said that Miss B has not been defrauded here, and this matter is a civil dispute between Miss B and E which isn't covered by the CRM Code.

Miss B referred a complaint to this Service which our investigator considered but didn't uphold. Miss B asked for an ombudsman's final decision, so the complaint was passed to me to decide.

## *My provisional decision*

I issued my provisional decision on 6 January 2026. I'll set out my findings below.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations; regulator's rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

When Santander processed the disputed payment, it was complying with Miss B's instruction. And there was no mistake made as the money went to the correct receiving account. As I don't think Santander acted incorrectly in processing the payment, I've gone on to consider whether the bank should've refunded Miss B for any other reason, but I don't think it should have.

Santander was signed up to the CRM Code, and it was in force when the disputed payment was made. Under the CRM Code, the starting principle is that a firm should reimburse a customer who has been the victim of an Authorised Push Payment ('APP') scam – which the CRM Code defines as “...a transfer of funds executed across Faster Payments...where...The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent”. But the CRM Code is quite explicit that it doesn't apply to all APPs. It says:

*“DS2(2) This code does not apply to:*

*(b) private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier.”*

From what Miss B has said, it's clear she didn't believe the purpose of the disputed payment was legitimate at the time she instructed it. I've gone on to consider whether E's intended purpose for the disputed payment was fraudulent.

I can understand why Miss B feels she has been scammed if she was not expecting to pay import tax on top of the price she paid E to export her horses, and she felt pressured to make the disputed payment to ensure her horses arrived safely at their destination. But from what I've seen, I don't think I can fairly say it is most likely that E intended to defraud her. I think the situation Miss B finds herself in is a civil dispute. I say this because the research I have carried out confirms that, when exporting horses from a non-EU country, customs and taxes are sometimes payable on the spot prior to a horse entering the EU – matching Miss B's experience here. And this Service hasn't been provided with any persuasive evidence to show that the disputed payment wasn't used to pay import tax.

From what I've seen, E appears to be a legitimate business that is operating genuinely. It:

- has a website which is still live.
- has good customer reviews.
- is a longstanding business.
- has held a business account for a number of years which is still open and is being run in the way I'd expect to see by a genuine business, with no other fraud claims raised against it or other concerns about account usage.
- is active on Companies House, with an up-to-date filing history.

It is possible that import tax wasn't due in Miss B's circumstances, and E charged her in error, but that is not the same as an intention to defraud.

Even if I were to accept that Miss B has been scammed here, I still wouldn't consider it fair or reasonable to require Santander to reimburse her under the provisions of the CRM Code. That's because she would need to have had a reasonable basis for believing that the payee was the person she was expecting to pay, the payments were for genuine goods or services and/or the business or person she was transacting with was legitimate, to meet the requirements for reimbursement. And she's said she knew she shouldn't be charged import tax but felt she had no choice but to pay and try to reclaim her money later, as her horses were being held hostage.

Looking beyond the CRM Code, at a firm's responsibilities to protect customers from financial harm through fraud, I can still find no reason to say Santander ought to refund the disputed payment. Taking account of what Santander knew about the disputed payment and Miss B's normal account usage at the relevant time, I'm not persuaded that it ought to have identified a fraud risk, or that it ought to have taken any action in relation to the disputed payment.

Overall, I don't think Santander has made a banking error in this case, or that it ought to have reimbursed the disputed payment because of any obligation under the CRM Code or otherwise.

### *Responses to my provisional decision*

Santander confirmed that it has no further information or evidence for me to consider at this stage.

Miss B put forward several arguments for this matter being a scam, rather than a civil dispute. And she said that she thought she was legitimately paying customs when she made the disputed payment – she believed there had just been a mistake which she could sort out at a later date.

### **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 looked at all the evidence afresh and thought about Miss B's response to my provisional decision, I remain unpersuaded that Miss B has most likely fallen victim to a scam here, for all the reasons I set out in my provisional decision.

I will respond to the arguments Miss B has raised which I consider to be pertinent to the outcome of the complaint. I do not intend any discourtesy in doing so, only to focus on the relevant issues.

I accept that Miss B has not been able to obtain copies of any supporting paperwork for the disputed payment, but I don't think this confirms that a scam has taken place.

I also accept that longstanding businesses can commit fraud but, in this instance, I don't think I can fairly say it is most likely E intended to defraud Miss B, for the reasons I have already set out.

E's bank has confirmed to this Service that no other fraud claims have been raised on its account and the bank has no concerns about account usage.

In her original submission to this Service, Miss B said the amount E asked her to pay for import tax was way too high, and she questioned E about it, but ultimately E had her horses, so she had no choice but to pay. I remain of the opinion that Miss B made the disputed payment to E without a reasonable basis for belief. As such, even if she has fallen victim to a scam, she is not entitled to reimbursement under the provisions of the CRM Code.

### **My final decision**

For the reasons I've explained, 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 B to accept or reject my decision before 12 February 2026.

Kyley Hanson  
**Ombudsman**