

## The complaint

Mr D complains that Santander UK Plc won't refund the money he lost to an investment scam.

## What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr D was looking to earn some extra money and, after undertaking an internet search, he found a website about learning to trade, and he expressed an interest.

Mr D was contacted by a representative (a scammer) from fake Company B and, as he was persuaded he could earn 30% a day and an income of up to £3,000 per month, he joined their investment group.

Mr D received what he thought was expert advice (as the scammer used the name of a genuine expert) and heard success stories from group members and after opening a Firm B (a legitimate crypto exchange) account and after making a payment of £100, he gained confidence when he received a small profit payment.

Mr D was then advised that he could make much bigger profits and he decided to make four payments of £1,000 from his Santander bank account to Firm C (another legitimate crypto exchange).

Santander blocked the first payment to Firm C and after discussing the investment payment with Mr D, he made the following four payments:

Payment No.	Date	Payment Method	Payee	Amount
1	15/1/25	Card Payment	Mr D's account with Firm B	£1,000
2	16/1/25	Card Payment	Mr D's account with Firm B	£1,000
3	10/2/25	Faster Payment	Mr D's account with Firm C	£1,000
4	20/2/25	Faster Payment	Mr D's account with Firm C	£1,000
Total				£4,000

After making the payments, Mr D believed his investment had grown to £170,000. He wanted to make a further payment and withdraw his supposed profit, but Santander wouldn't process a further payment due to the limits they apply to crypto payments.

Also, around this time Mr D became suspicious when he saw an error message on his account and was told he had to invest 5% to release the money and, when he said he didn't have this amount, he was advised to borrow from friends and family. He realised it was a scam when he asked for a facetime call with a company representative and they declined this giving an unprofessional response.

Mr D recognised he made a '*bad call*' but thinks Santander should've better protected his funds, so he complained to them seeking a refund.

Santander rejected his claim as he had paid the money to another account in his name, so Mr D brought his complaint to our service. But our investigator didn't think Santander had done anything wrong and said he wouldn't have expected them to have intervened on payments that were for relatively low amounts.

As Mr D remains dissatisfied his complaint was passed to an Ombudsman.

**I issued a provisional decision on 6 January 2026, and this is what I said:**

*I've considered the relevant information about this complaint.*

*My provisional decision is different to the outcome of that reached by our investigator. So, I'd like to give both parties an opportunity to respond.*

*The deadline for both parties to provide any further comments or evidence for me to consider is 20 January 2026. Unless the information changes my mind, my final decision is likely to be along the following lines.*

*If Santander UK Plc accepts my provisional decision, it should let me know. If Mr D also accepts, I may arrange for the complaint to be closed as resolved at this stage without a final decision.*

*What I've provisionally 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 provisional decision is to partially uphold this complaint, and I'll explain why.*

*I should first say that:*

- *I'm very sorry to hear that Mr D has been the victim of this cruel scam and lost an amount of money that is significant to him.*
- *In making my findings, I must consider the evidence that is available to me and use it to decide what I consider is more likely than not to have happened, on the balance of probabilities.*
- *I'm satisfied that the APP Scam Reimbursement Rules, introduced by the Payment Systems Regulator in October 2024, for customers who have fallen victim to an APP scam, don't apply to these four payments because they were sent to another account in Mr D's name. Also, two payments were made by card.*
- *I don't think it would've been reasonable to have expected Santander to recover the funds considering the payments to the scammers were transferred to crypto companies and then to the scammers' crypto wallet where they would've been emptied.*
- *The Payment Services Regulations 2017 (PSR) and FCA's Consumer Duty are relevant here.*

#### PSR

*Under the PSR and in accordance with general banking terms and conditions, banks should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. There's no dispute that Mr D made the payments here, so they are considered authorised.*

*However, in accordance with the law, regulations and good industry practice, a bank should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.*

*Banks do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions. So, I consider Santander should fairly and reasonably:*

- Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.*
- Have systems in place to look for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.*
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.*

#### *Consumer Duty*

*Also, from July 2023 Santander had to comply with the Financial Conduct Authority's Consumer Duty which required financial services firms to act to deliver good outcomes for their customers. Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, Santander was required to act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud. Santander was also required to look out for signs of vulnerability.*

*Regarding the mental health vulnerability that Mr D mentions, I can't see that he made Santander aware of this or discussed how this impacts on his banking and could be mitigated.*

*Although I agree with our investigator that the four payments didn't warrant an intervention, from reviewing the file I found that, on 14 January 2025 (the day before payment 1) Santander's fraud system did identify a potential risk about a payment he was trying to make to Firm C for £1,000. They blocked it, put restrictions his card and directed him to speak to one of their fraud and scam agents. This appears to be because they realised it was a payment to a known crypto company and crypto payments have an elevated risk.*

*As Santander's fraud prevention action caused Mr D to call them, I requested and then listened to the recording. I found that Mr D:*

- Was open and honest about what he was doing.*
- Was initially confident that the investment opportunity wasn't fraudulent but, when the agent started asking probing questions he become 'panicky'.*
- Listened to the strong educational information and due diligence advice he received.*
- Said he still wanted to go ahead, even when the agent told him he could lose all his money and highlighted red flags which matched the education. These were about how he came across the opportunity, how well he knew the people he was dealing with and returns that were too good to be true.*

Considering the agent was alerted to several red flags, when Mr D said he would make the payment with Firm B rather than Firm C, I think the agent should've gone further and either:

- Asked probing questions about the returns, Mr D's research and the name of the trading platform and company.

or

- Told Mr D the block on his card would remain until he could visit a branch and speak to other staff to show them paperwork (that appears to be fake) and evidence of the research he had completed on the agent / broker and company.

If either of these actions had occurred, I think it would've become even clearer that the investment was highly likely to be a scam as, in addition to the red flags, a simple internet search would've shown scam articles about the company and trading platform. And at this point, I think Mr D, who had become nervous and wasn't yet fully under the scammers' spell (seeing a supposed huge profit) would've, more likely than not, not made the payments. Also, Santander would've blocked any further payments and restricted his account.

So, considering all the above, even though there is information that suggests Mr D tried to circumvent intervention on the two payments to Company C, I think Santander could've prevented his loss here.

Having established that Santander should've done more when they prompted an intervention prior to payment 1 and on balance of probabilities would've likely prevented his loss, I looked at:

#### Contributory Negligence

There's a general principle that consumers must take responsibility for their decisions. Although I genuinely sympathise with Mr D and recognise how convincing these cruel scammers are, I think he should've exercised more diligence. I say this because:

- He should've looked to verify the financial advisor / mentor, company and trading platform. Also, completed basic searches that would've shown it was a scam.
- He didn't take note of strong education and warnings given to him by Santander including that he could lose all his money.
- He should've seen such high returns, within a short period of time, as being too good to be true. And this should've prompted him to exercise greater diligence and seek professional advice.

Putting things right

Having considered all the above, I think both the business and customer are equally at fault here. Santander should've probed further and Mr D should've been more diligent. So, I think it is only fair and reasonable for liability to be shared. So, my decision is to partially uphold this complaint, and I require Santander to:

- Provide Mr D with a refund of £2,000 which is 50% of the four payments.
- Pay 8% simple interest on the refund amounts from date of loss to date of settlement.

### *My provisional decision*

*For the reasons mentioned above, my provisional decision is to partially uphold this complaint against Santander UK Plc, and my requirements are detailed in the above putting things right section.*

### **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.

Further to my above provisional decision, I received the following responses:

- Mr D said he accepted and had nothing else to send.
- Santander said they had nothing further to add but didn't comment on whether they accepted or rejected it.

As no further arguments or evidence have been produced in response to my provisional decision my view remains the same. I therefore adopt my provisional decision and reasons as my final decision.

### **Putting things right**

To put things right, I require Santander to:

- Provide Mr D with a refund of £2,000 which is 50% of the four payments.
- Pay 8% simple interest on the refund amounts from date of loss to date of settlement.

### **My final decision**

My final decision is that I partially uphold this complaint against Santander UK Plc and my requirements, for them to follow, are detailed in the above putting things right section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 16 February 2026.

Paul Douglas  
**Ombudsman**