

The complaint

Miss D is unhappy that Santander UK Plc (“Santander”) won’t refund the money she paid for surgery that she now considers to be a scam.

What happened

I’m not going to cover all the points raised in detail. The view of 10 December 2025 covered the details of Miss D’s testimony. But briefly in August 2024, Miss D made two faster payments totalling £10,594 to a company (I will refer to as H in this decision) for cosmetic surgery. She also made a card payment of £500 which was refunded. H went into administration before the surgery took place. Miss D subsequently discovered that H had not booked with the clinic and the individuals that would have been involved with the operation.

Miss D complained to Santander that she’d been the victim of a scam. Santander declined to refund Miss D. It said it was a civil dispute and that H had gone into administration after Miss D made the payment. It said that the customer has a method of resolution with the administrators.

Miss D brought her complaint to this service. Our investigator did not uphold the complaint. He said the matter was a civil dispute which isn’t covered by the new Reimbursement Rules. Miss D didn’t agree. She said that a card payment for £500 was refunded by Santander which demonstrates they accept there were concerns regarding the legitimacy of the transactions. She also raised concerns over the individuals behind H and their history of related companies entering into administration and re-emerging under new names. Miss D said that payments were taken for services never booked and client funds not passed on as expected. She said that other banks concluded customers were victims of fraud and reimbursed them.

As the complaint could not be resolved informally, it has been passed to me for a 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.

Having done so, I’ve come to the same outcome as the investigator for broadly the same reasons.

When considering what is fair and reasonable, I’m required to take into account: relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

Where I can’t know for certain what has happened, I need to weigh up the evidence available and make my decision on the balance of probabilities – in other words what I think is more likely than not to have happened in the circumstances.

I have read the detailed responses to the investigator’s view and all the evidence on the file.

If I don't mention a particular point or piece of evidence, that's not because I haven't taken it into account. It's just that I don't consider it necessary to reference it to explain my decision, which is focussed on what I consider to be the main and material issues on which this complaint turns.

I am very sorry to hear about what happened to Miss D. Miss D has paid a significant sum of money for a procedure which never happened. And I can see it's been a very upsetting experience for her. I understand Miss D has strong views about what has happened but it's important to emphasise that I'm only considering whether Santander should be held responsible for what happened.

It's clear Miss D feels strongly that H tricked her and took her payments without any intention of carrying out the procedure. I'm not deciding a dispute between Miss D and H. I don't have any power to look into a complaint about H and how it acted. My role is limited to looking at whether Santander has treated Miss D fairly. Specifically, on whether it has obligations that might mean I can tell Santander it needs to do more to help Miss D. It's important to note that it isn't for Santander (or this Service) to investigate H or somehow prove that H wasn't operating legitimately.

I can't comment on other cases or what other banks have decided in similar cases. My role is to consider individual complaints and not to make findings about a bank's wider practices or processes.

Regarding the card payment, this was refunded under a completely different process - by chargeback. This does not necessarily demonstrate the bank accepts there were concerns about the legitimacy of the transactions. It's a completely different process and possible chargeback reasons go beyond just being fraud. I don't know whether the merchant accepted the chargeback or just didn't respond - either of which would lead to Miss D being refunded.

Turning to the two faster payments, 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 firms to reimburse the customer even though they authorised the payment.

The payments were made after 7 October 2024 when the Faster Payments Scheme Reimbursement Rules "Reimbursement Rules" came into force.

Similarly, the Reimbursement Rules set out the requirements for a payment to be covered and set out the features and definition of an APP scam. The Rules specifically define an APP scam 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"*

And the Rules specifically outline that private civil disputes are not covered. The term 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:

“2.6 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.”

2.5 provides an example of when this might apply:

“...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, the Reimbursement Rules are not a general protection for consumers. Instead, they only apply in very specific circumstances – where the customer has been the victim of an APP scam. And there are a number of potential reasons (other than a scam) for the breakdown in a relationship between two parties for a dispute to exist. And unfortunately, businesses (such as H) can fail or be mismanaged such that contracts are breached and agreed goods and services aren't provided. But that doesn't necessarily amount to evidence of an intent to commit an APP scam.

Turning to the definition of an APP scam, Miss D paid H and this was the recipient she was intending to pay. So, for Miss D to have been the victim of an APP scam, I would need to be satisfied that H was acting fraudulently or dishonestly to deceive Miss D about the very purpose for which her payment had been procured.

Miss D's purpose was to have surgery done and H's purpose was to arrange that surgery – so these do match. I appreciate that ultimately this did not happen but as outlined above non receipt of services from a legitimate supplier does not mean this is an APP scam.

I do appreciate that the third party involved in carrying out the procedure has confirmed it did not receive funds nor have a planned surgical day Miss D. But I don't agree it necessarily follows that Miss D's money was taken with fraudulent intent.

H was a well-established company by the time Miss D engaged with it, having been incorporated in September 2022 and actively trading for two years. H had positive reviews up until it entered into administration. Previous customers have confirmed they have received the medical procedures they have paid for. Miss D attended her pre operation appointments.

H appointed an administrator who has been in regular contact about the ongoing issues with H. There is no suggestion that the directors have not cooperated with the administrator nor indication of fraud being uncovered. On the contrary the evidence from the administrator indicates that due to rising costs and financial difficulties H entered into insolvency.

While some of issues Miss D has highlighted might suggest H had patterns of business failure and question whether due diligence was carried out, it does not necessarily show in relation to the specific transactions carried out in this particular case that they were made to an APP scam.

I appreciate how frustrating and disappointing this answer will be. Miss D has lost a lot of money as a result of H's failure to complete what was agreed. But I can't exclude the possibility that H entered the agreement in good faith, intending to carry out the procedure and then was unable to fulfil the agreement for some reason. The evidence doesn't lead me to conclude it's more likely (than these alternative possibilities) that H intended to steal Miss D's money from the outset and never had any intention of fulfilling the arrangement in full or in part.

That means that I can't fairly hold Santander responsible for the loss suffered here by Miss D. It also means I find that Santander had no ability or obligation to try and recover her money.

In addition, Santander doesn't have any duty or obligation to intervene in payments that are legitimate. So, I can't fairly criticise Santander for not doing more when Miss D made the payments.

In saying all of this, I don't underestimate the impact this whole matter has had on Miss D – I am sorry she has lost out through no fault of her own. I'm not saying Miss D did anything wrong or that she doesn't have a legitimate grievance against H. But I can only look at Santander's responsibilities here.

Overall, I don't think Santander has treated Miss D unfairly when it made the decision not to reimburse her. For the reasons I have explained, I'm satisfied Miss D isn't due a refund under the Reimbursement Rules nor can I see there are other grounds on which I could say that Santander should, fairly and reasonably, bear the responsibility for Miss D's loss.

My final decision

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 D to accept or reject my decision before 9 April 2026.

Kathryn Milne
Ombudsman