

## **The complaint**

Mr S complains that Santander UK Plc won't refund the full amount of money he lost to a scam.

## **What happened**

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

Mr S complains that he sent several payments to what he thought was a legitimate investment. Shortly after making the payments, he realised he'd been scammed when the shares he purchased lost most of their value. So, he logged a complaint with Santander.

Santander looked into the complaint but didn't uphold it. It said it wasn't the point of loss, as Mr S sent the money to a legitimate share dealing platform.

Mr S remained unhappy. So, he brought his complaint to our service.

Our investigator looked into the complaint but didn't uphold it. He found that Santander didn't intervene, but even if it had done, Mr S would have been able to reassure Santander that what he was investing in was legitimate and would have gone ahead with the payments.

Mr S didn't agree with the investigator's view.

As no formal resolution could be reached, the complaint has been passed to me for a final 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.

I'm 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 focused 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'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.

Just because a scam has occurred, it does not mean Mr S is automatically entitled to recompense by Santander. It would only be fair for me to tell Santander to reimburse Mr S for his loss (or a proportion of it) if: I thought Santander reasonably ought to have prevented all (or some of) the payments Mr S made, or Santander hindered the recovery of the payments Mr S made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Santander treated Mr S fairly and reasonably in its dealings with him, when he made the payments and when he reported the scam, or whether it should have done more than it did. Having done so, I've decided to not uphold Mr S's complaint. I know this will come as a disappointment to Mr S and so I will explain below why I've reached the decision I have.

I have kept in mind that Mr S made the payments himself and the starting position is that Santander should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance. I appreciate that Mr S did not intend for his money to ultimately go to fraudsters – but he did authorise these payments to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Mr S has mentioned the PSR reimbursement scheme several times in his submissions to our service. Although it seems Mr S agrees his payments don't fall within the scope of the scheme, I have still considered it. Here the payments were sent to another account in Mr S's name, so I'm satisfied this scheme wouldn't apply. There are other considerations I must take into account though.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - Santander should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out 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 payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

So, I've thought about whether the transactions should have highlighted to Santander that Mr S might be at a heightened risk of financial harm due to a fraud or scam.

Here I find some of the amounts did reach a value that ought to have concerned Santander that Mr S could be at risk from financial harm. Although he made a yearly payment to the platform in question, and there are no concerns that it was and still is a legitimate business, the values got to an amount that in my view looked a risk compared to his normal account behaviour.

I can't say for certain what would've happened if Santander had intervened (because it didn't question any of the payments). So, I must consider whether the available evidence shows that it was more likely than not that Mr S would have acted differently if Santander had spoken to him.

If Santander had spoken to Mr S prior to him making the payments, I'm satisfied the evidence suggests that he would have been honest with his answers. As such, I think he would have explained that he was paying his own trading account, which was a legitimate

FCA regulated firm for the purpose of buying stocks, and it was a company he paid previously without any issue.

It's worth that Mr S wasn't paying a third party or intending to use his trading account as an intermediary to move the funds on to a third party, as is common with investment scams. He would have likely explained that he had previously successfully credited his trading account. Based on these circumstances, it would've been very difficult for Santander to identify that there was anything suspicious about what Mr S was doing or that he was at risk of financial harm from fraud.

Even if Santander had probed Mr S further and asked questions about what he had done to research the investment, I find it's unlikely that this would've resulted in Mr S not going ahead with the payment. Mr S himself has said he carried out research before making the payments, and nothing untoward had been discovered regarding the company he was buying shares in or the investment manager he was in contact with (who had taken over a legitimate profile on a well-known site).

I accept there were some common hallmarks of an investment scam, such as the investment being advertised on social media and Mr S communicating through a messaging service. However, it's possible that a legitimate financial advisor might also exhibit these types of behaviour and so alone, these aren't enough to say Santander ought to have been concerned by Mr S's payments.

From my research, the investment appears to have been exposed as a 'pump and dump' when the shares began to lose most of their value on 01 April 2025. Although Mr S made payments on this day, the crash happened after trading hours. So again, if Santander had encouraged further research or carried out any of its own when speaking to Mr S, this would not have been something it found, as it had not happened yet.

So, even if Mr S had been questioned in more detail about the investment by an advisor, I don't think it would've highlighted anything that would have caused concern or led Santander to believe Mr S was at risk of financial harm from a fraud or scam. Furthermore, even if Santander did intervene and tell Mr S to conduct further checks on his investment, I'm not persuaded he would have found any negative information online, as Mr S has not supplied anything from that point in time that shows this might have been a scam.

I understand Mr S has said he was vulnerable at the time. I want to assure Mr S that I have considered this as part of my investigation and not lightly. I'm also sorry to hear of the challenges he is facing. Unfortunately, it has not changed the outcome I've reached. If Santander had spoken to Mr S, I'm satisfied it ought to have been something the advisor considered if Mr S had made them aware of it. Based on my findings, I'm not convinced it would have impacted the ability of the advisor to uncover the scam, for all the reasons I've given above.

Taking into consideration all the available evidence and arguments, I'm not persuaded any proportionate questioning throughout the investment would have created enough doubt for Mr S that he would not have gone ahead with the payments, such was his belief that he was sending money for the purpose of a genuine investment opportunity.

### Recovery

I've also looked at whether Santander took the steps it should have once Mr S contacted it to dispute the payments.

After the payments were made, I couldn't reasonably expect Santander to have done

anything further until Mr S alleged to Santander that he had been scammed.

As the company Mr S sent the money to is a legitimate trading platform, and Mr S went on to buy shares, no recovery would be possible. The platform provided the service intended and the money has been lost due to the drop in value of the shares.

I realise this means Mr S is out of pocket. And I'm sorry he lost this money. But I think this was ultimately caused by the scheme Mr S invested in, and not Santander. I can't reasonably ask Santander to reimburse Mr S in circumstances where I don't think it ought to have prevented the payments or recovered them.

### **My final decision**

My final decision is that I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 01 March 2026.

Tom Wagstaff  
**Ombudsman**