

The complaint

Mr and Mrs G complain that Santander UK Plc (Santander) won't refund the money they lost to a recovery scam.

Mr and Mrs G are being represented by a solicitor in this complaint.

What happened

In November 2024, Mrs G said she received a call from an individual who claimed they'd found cryptocurrency 'profits' in a wallet, from trades she had made in the past. Mrs G had previously invested in cryptocurrency and received some returns, so she thought the call was plausible. She was told these profits had come from the part of the investment she had not withdrawn.

From her original investment, Mrs G had an existing account with a cryptocurrency exchange, which I'll refer to as Exchange K. To claim the supposed additional profits, Mrs G was told they would need to use her Exchange K account, and also open accounts with other companies. I'll refer to the other companies as W and Exchange B.

Mrs G said the individual, using remote access software, helped open the accounts in her name with W and Exchange B. She was then told money needed to be put into those three accounts so that she had proof of activity in them. Once this had happened, she was told those profits could be released to her. Unfortunately, unbeknown to Mrs G, she had been contacted by a scammer.

Mrs G made a series of payments to those accounts. She was told by the scammers not to disclose the true purpose of her payments to Santander if it intervened, and she was given a cover story. When Santander intervened later in the scam and after the disputed payments, Mrs G realised she had fallen victim.

Mr and Mrs G reported the scam to Santander and then later raised a complaint. They felt Santander ought to have intervened sooner and if they had, they would not have suffered the loss they did. Mr and Mrs G also complained that Santander didn't act promptly following the scam report, the caseworker assigned to them didn't get in contact, they were treated disrespectfully, and their claim was dismissed.

Mr and Mrs G's representatives asked Santander to refund their losses, with interest, and pay £300 in compensation.

The disputed payments Mrs G made from her Santander account are below:

Payment	Date	Destination	Amount
1	12 November 2024	Faster payment to W	£20
2	12 November 2024	Faster payment to W	£1,000
3	12 November 2024	Faster payment to Exchange K	£450
	13 November 2024	Credit from W	£1,020 (credit)

4	13 November 2024	Faster payment to Exchange K	£1,020
5	13 November 2024	Faster payment to Exchange K	£180
6	13 November 2024	Faster payment to Exchange K	£5,000
7	13 November 2024	Faster payment to Exchange B	£5,000
	14 November 2024	Credit from Exchange K	£4,872.54 (credit)
8	14 November 2024	Faster payment to Exchange B	£7,000

Santander responded to the complaint but didn't uphold it. In short, it said Mrs G had authorised the payments, so they were liable for them. Santander said it had intervened in the payments but as Mrs G had been coached, she wasn't truthful when asked questions, so it didn't think it was liable for the disputed payments.

So, Mr and Mrs G brought the complaint to the Financial Ombudsman Service, via their representatives.

Our Investigator looked at the complaint and upheld it in part. They said Santander ought to have found Payment 6 suspicious, intervened in it and questioned Mrs G then. They noted Santander had intervened the day after Payment 6, but they didn't think it was an effective intervention. They also noted, later calls with Mrs G did unravel that she was falling victim to a scam, and so, had Santander followed the line of questioning at Payment 6, Mr and Mrs G's loss would have been prevented. The Investigator also concluded that Santander could not have reasonably recovered the funds, and that they couldn't see any reason to award compensation for the handling of the scam claim.

The Investigator said Santander should refund Payment 6 and those that came after it. However, they also felt Mr and Mrs G should bear equal liability for their loss, so Santander could reduce the refund by 50%. The Investigator didn't agree that any compensation should be paid. Mr and Mrs G agreed with the Investigator, but Santander didn't.

Santander said it didn't think it was responsible when its customers sent funds to their own accounts with another provider. Santander said that it was of the opinion that Mr and Mrs G should redirect their complaint to the companies they paid. It said due to the new authorised push payment (APP) scam reimbursement rules, they would have a better chance of getting their money back if they raised claims with those companies.

So, the case was passed to me to determine.

I sent Mr and Mrs G and Santander a provisional decision on 23 January 2026, setting out why I intended to uphold the complaint. In my provisional decision I said the following:

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 have provisionally decided to uphold Mr and Mrs G's complaint. I'll explain why.

Santander state that Mr and Mrs G ought to refer their complaint to the companies that were paid. I acknowledge Mr and Mrs G could instead, or in addition, have sought to bring a complaint against those companies. But they have not chosen to do that and ultimately, I can't compel them to. I can only consider the complaint that has been brought to the Financial Ombudsman Service and, if appropriate, make an award against Santander.

I note Santander has specifically mentioned the mandatory reimbursement rules. But these only apply to payments made using the Faster Payment system or CHAPS. The only

disputed payments Mr and Mrs G lost were sent to Exchanges K and B, as the funds to W were returned as can be seen from the table of payments. So, it is likely given how these scams typically operate, that those funds were used to purchase cryptocurrency before being sent on the scammer. As this onward transfer of cryptocurrency from K and B couldn't have been via the Faster Payment system or CHAPS, it's unlikely a claim would fall under mandatory reimbursement rules as Santander appears to suggest.

Regardless, as I've said, I can only consider the complaint that has been brought, and that complaint is against Santander. I will therefore move on to outline my reasons for upholding the complaint.

Firstly, it's not in dispute here that Mrs G authorised the payments in question. So, while I recognise that she didn't intend the money to go to scammers, the starting position in law is that Santander was obliged to follow Mrs G's instruction and process the payments. So, she, rather than Santander is liable for the payments. However, that isn't the end of it.

I've considered longstanding regulatory expectations and requirements, and what I consider to be good industry practice for firms when processing payments. Based on those, I'm satisfied that Santander ought to have been monitoring accounts to counter various risks including preventing fraud and scams. So, I've considered the scam payments, and whether I think Santander ought to have carried out any steps before processing them.

Santander intervened on 12 November 2024, when Mrs G was trying to make a £20 payment to W. Santander asked her why she was making the payment, and Mrs G confirmed it was a deposit to open the account. Santander asked further questions around whether she had been contacted by anyone and asked to move money. It also gave warnings around safe account scams. Given the low value of the payment, I think the questions and warnings that Santander gave were proportionate to the risk that the payment posed, and I wouldn't have expected it to have done anything else.

I don't think that the payments that followed (Payments 2 – 5) ought to have prompted any further intervention from Santander at that stage. These payments were unremarkable in terms of their value, particularly when considered against Mr and Mrs G's usual account activity. So, I don't think they warranted any scrutiny from Santander.

However, Payment 6 was uncharacteristic for Mr and Mrs G's account. It was the third payment that day to Exchange K and was significantly larger in size than the previous payments to it. I do acknowledge Mrs G had made some small payments to Exchange K before, and as such the destination of the payments would not have appeared unusual to Santander in that respect. However, escalations in the values of payments, particularly in a short space of time, can often be an indicator that the account holder might be at risk of financial harm. Furthermore, looking at Mr and Mrs G's account history over the previous 12 months, it was uncharacteristic for them to make ever increasing payments in this way.

Santander ought to have been aware that the payments to Exchange K were identifiably related to cryptocurrency. By November 2024, when these payments took place, many of the high street banks, including Santander, had taken steps to either limit their customer's ability to purchase cryptocurrency using their bank accounts or, increase friction in relation to cryptocurrency related payments. This was owing to the elevated risk of such a payment being connected to a fraud or scam.

I acknowledge Santander does not think it is liable, given the funds went to accounts in Mrs G's name and control. I would expect it to have been mindful of – among other things – common scam scenarios, how the fraudulent practices have evolved (including for example the common use of multi-stage fraud by scammers, including the use of payments to

cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

So given the pattern, the destination and the difference to previous account activity, I think Santander ought to have taken steps and intervened at Payment 6.

I think at the point of receiving the payment instruction for Payment 6, a proportionate intervention would have been for a member of staff to talk to Mrs G.

I note the day after, on 14 November 2024, Santander did intervene in this way, and talked to Mrs G about another payment she'd attempted to make the day before. Listening to the call, Mrs G was told it was blocked as Santander had seen a lot of fraud and scams about. However, after confirming the payment was one that Mrs G had genuinely attempted, it didn't ask any questions about the circumstances of the payment that had been declined, or those that had gone out. No specific scam warnings were provided, and the account was then unblocked. Even during this, slightly later, intervention, an opportunity to identify the actual scam risk was missed.

I would have expected Santander to have had a conversation with Mrs G at the point of Payment 6 as I've said. I would also have expected it to ask open and probing questions to her about the purpose of her payment. To help it narrow down any potential risks to Mrs G, it ought to have asked about the circumstances of the payment, bearing in mind the common tactic used by scammers of coaching their victims in what to say.

I must consider though how likely such an intervention would be in disrupting the scam, and preventing any further loss to Mr and Mrs G. When doing this, I've taken into account the later calls between Santander and Mrs G on 18 and 20 November 2024. In these calls, Mrs G is questioned about why she was making the payments. While Mrs G was acting on what she had been told by the scammers and was giving a cover story to Santander, this ultimately alerted the call handlers that she was at risk of financial harm.

On 20 November 2024 call, Mrs G claimed some of the payments she was asked about, had been payments to purchase cryptocurrency. The Santander call handler asked about the circumstances around the payment, like where she had found the cryptocurrency exchange, got the idea to purchase it, how she could see her cryptocurrency on the platform and asked her to explain how she buys it.

Mrs G told them she was purchasing cryptocurrency of her own accord on the advice of family members. However, her responses to the specific questions posed were vague and suggested that she was not familiar with what she was doing. Following this, the call handler explained they thought Mrs G was misleading them, and that she was falling victim to a scam. By scrutinising the answers provided and giving information on how scammers typically worked, it led to Mrs G eventually being honest with the call handler.

Santander's line of questioning showed that Mrs G's cover story and responses didn't hold up under scrutiny. On balance, I'm persuaded that had Santander followed a similar line of questioning with Mrs G at the point of Payment 6, as I would've expected it to, the scam would have been unravelled sooner. So, I think it can be held liable for losses suffered from that point onwards.

I have thought about whether Mr and Mrs G should bear any responsibility for their losses connected to these payments. In doing so, I've considered what the law says about contributory negligence, as well as what I consider to be fair and reasonable in all the circumstances of this complaint.

I acknowledge Mr and Mrs G fell victim to a scam here, one where they paid money in the expectation of releasing profits from a previous investment, but this was a scheme designed to obtain as much money from them as possible. I recognise the link to the previous investment they'd made, would have given some credence to what the scammers were telling them.

Nevertheless, Mr and Mrs G had received an unexpected call from an unknown individual who told them, contrary to their own belief, that they had not withdrawn all the funds from a previous investment. That investment, which was only £250 at the time and had been withdrawn with a modest profit, had now grown to around £30,000. I think Mr and Mrs G should have recognised this was too good to be true and it should have put them on notice that it might not be genuine.

Mr and Mrs G's representative said they didn't carry out any checks on the scammer, before proceeding with the instructions they gave. As was pointed out by the Investigator, the call made by their son to the company the scammer supposedly worked for, confirmed that in fact they were not an employee. Had they carried out checks on the caller prior to making the payments, I'm persuaded on balance that it would've likely led to them realising they were not genuine from the outset.

Given the lack of research Mr and Mrs G had done on the caller, I think they ought to have recognised the risk of allowing them access to their computer and details, so that they could set-up accounts in their name, which the scammers had access to.

By the point of Payment 6, Mr and Mrs G were paying ever increasing sums of money to these accounts to show 'activity' on them and had accepted they may need to mislead Santander to get their payments through. In addition to the other points I've made, I also think these points ought to have been reasonable grounds for Mr and Mrs G to question the plausibility of the scam.

Having carefully thought about this, I consider it would be fair for the reimbursement due to Mr and Mrs G to be reduced because of their role in what happened. Weighing the fault that I've found on both sides, I think a fair deduction is 50%.

Could Santander have recovered Mr and Mrs G's funds?

There was no prospect of Santander recovering the funds Mr and Mrs G had sent, after the scam came to light. Mr and Mrs G's representative provided a contemporary statement of Exchange K, showing there was a zero balance. It also provided a screenshot from Exchange B, who confirmed that cryptocurrency had been purchased. From the limited evidence available, it suggests that the money had been used to purchase cryptocurrency from Exchange K and B, and that cryptocurrency had then been sent on to wallets presumably controlled by the scammer. So, there was nothing in the accounts with Exchange K or B for Santander to be able to recover.

Putting things right

I have noted that Mr and Mrs G's account received money back from Exchange K, on 14 November 2024. While I note the Investigator did not deduct any of the return from their recommendation, I think it would be fair for this to be taken into account.

I've not seen this credit mentioned in the evidence I've seen, so it's unclear if this was money being returned after demonstrating account movements, or simply a reversal of a previous transaction. Considering the amount is similar to Payment 6, I think it was likely a reversal of that payment, possibly after fees or charges had been applied by Exchange K.

Therefore, I think that money should be attributed to Payment 6, and the loss from that payment reduced by the value of that credit.

Santander UK Plc should refund Payment 6, and all those that came after it, less the value of the credit as I've outlined. After taking the steps set out above, I calculate Mr and Mrs G's outstanding loss from Payment 6 onwards, to be £12,127.46.

As I've explained, I also think that the amount reimbursed should be reduced by 50% to reflect Mr and Mrs G's contributory negligence.

I therefore calculate the overall reimbursement due to Mr and Mrs G to be £6,063.73.

Santander UK Plc should also apply 8% simple interest, calculated annually, from the date of the payments to the date of settlement.

If Santander UK Plc considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr and Mrs G how much it's taken off. It should also give Mr and Mrs G a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

I said I'd consider anything further Mr and Mrs G and Santander submitted following the provisional decision.

Responses to my provisional decision

Mr and Mrs G's representative responded and confirmed they accepted it.

Santander responded and said it did not agree it should refund Mr and Mrs G. It pointed out the payments were made after the 7 October 2024, but as they were to other accounts Mr and Mrs G had, the Faster Payments Scheme (FPS) Reimbursement Rules didn't apply.

It went on to note that I felt there should have been human intervention in the payments. It's unclear why Santander said this, but I've taken it to mean that it did not agree with my provisional decision on this point.

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 didn't say that Mr and Mrs G's payments from Santander were caught by the FPS Reimbursement Rules. I agree with Santander that as the payments from Mr and Mrs G's account, went to their own accounts with Exchange B and K, the FPS Reimbursement Rules don't apply. However, just because these rules don't apply, does not mean that Santander could not be liable for the disputed payments at all.

I've already explained in my provisional decision why I thought Santander could (and ought) to be held liable to partially refund Mr and Mrs G here. As no further arguments have been received, I've found no reason to depart from my provisional findings.

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My final decision

For the reasons explained above, my final decision is that I uphold this complaint. Santander UK Plc needs to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr G to accept or reject my decision before 3 March 2026.

John Ryan
Ombudsman