

The complaint

Mrs S complains that Santander UK Plc won't provide her with a refund when she fell victim to an impersonation 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.

On 9 September 2025, Mrs S's husband received a call from X (a scammer) who said he was a Santander internal investigator investigating corrupt staff. X said that both his and Mrs S's accounts had been compromised, and they needed help both catching criminals and prosecuting those held in custody.

Mrs S explains that Mr S gave X money from his account(s) and totally believed what X was telling him. Mrs S says that she thinks a reason Mr S was strongly under X's spell was because he had been tricked into believing he had spoken to someone at his bank (Bank N).

Mrs S also believed her accounts were at risk. This was because of X's comments and influence from Mr S. X spoke to Mrs S on Mr S's mobile phone and, after discussing her accounts, told her to visit a Santander branch, with Mr M (and him listening as Mr M would have him connected on his mobile phone), to withdraw £5,000 from her account in cash (GBP). X explained the requirement for cash was for forensic fingerprint examination and told them not to touch the notes.

On 10 September 2025, Mr and Mrs S visited a Santander branch and withdrew £5,000. Before Mr and Mrs S passed the cash to X, Mrs S was told to withdraw Euro cash from a small foreign exchange bureau using her credit card. But this wasn't possible due to Mrs S's expired identity card and Mrs S became suspicious and worried when X then completely switched his attention back to Mr M's accounts.

Despite strong reservations Mrs S couldn't persuade Mr M not to give her cash to X and she lost the £5,000.

Mrs S complained to Santander seeking a full refund. This is because she thinks they should've done more to protect her. She considers that they should've taking her to a private room, probed what she was doing and given her scam education. Also, she questions why they accepted her outdated identity card and didn't (like the bureau) refuse to give her the cash.

Santander rejected Mrs S's claim. They said cash withdrawals weren't covered under the new Payment Systems Regulations which came into effect on 7th October 2024. So, Mrs S brought her complaint to our service.

However, our investigator didn't think Santander were at fault as she found Mrs S was untruthful when asked the reason saying it was for her holiday in Europe. Also, she was satisfied that the warnings Santander provided, during her branch visit, were proportionate to the risk and ought to have also caused her to think about the withdrawal.

Mrs S disagrees, says she was given any warnings and asked for her complaint to be passed to ombudsman for a final decision.

I issued a provisional decision on 15 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 and 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 29 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 Mrs S 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 different to that of our investigator and I'm partially upholding this complaint, and I'll explain why.

I should first say that:

- *I'm very sorry to hear that Mrs S has been the victim of this cruel and distressing scam and lost a significant amount of money here.*
- *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 here because the payment was for cash.*
- *Regarding recovery, I recognise it's unlikely that cash can be recovered by the police even if the criminals are apprehended.*
- *The Payment Services Regulations 2017 (PSR), FCA's Consumer Duty and Banking Protocol 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 Mrs S 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 such as Mrs S's age.

Banking Protocol

This is a multi-agency initiative between the Police and financial sector organisations, including banks, 'aimed at identifying customers who are in the process of being defrauded and implementing safeguarding procedures to prevent their repeat victimisation and further loss of funds'. It has been fully in force nationwide since March 2018, and I consider it to have been good industry practice at the time of this scam. In broad terms, the Banking Protocol requires branch staff to:

- Look out for any unusual or out of character withdrawals and to implement the Banking Protocol procedure when such transactions are identified.*
- Discreetly question the customer about the withdrawal or transaction and their reasons for making it, keeping in mind that the customer may have been told they are helping to catch a corrupt bank employee and may have been given a cover story to tell if asked about the transaction.*
- Consider the responses against what they expect as normal activity on the individual's account. If they are concerned or suspicious that the customer may be the victim of fraud, they should notify a senior member of staff, who should take the customer to a quiet area and ask further questions to establish more details.*
- If the senior colleague believes the customer is the victim of fraud, either as a result of the answers provided or through their general behaviour, they should call the Police immediately who will attend the branch to speak to the customer.*

With the above in mind and available evidence, from both parties, I first considered the type of intervention I would've expected to have seen before the cash was handed over. And then, due to the different testimonies, what I think likely happened and whether this was sufficient to protect Mrs S from financial harm.

Santander would've seen that the cash withdrawal was large and unusual for Mrs S to make. I say this because, in the previous twelve months, she had only previously made very small cash withdrawals from ATM's and her largest payment was less than £2,000.

So, I would describe the withdrawal as unusual and, prior to releasing the cash, I would've expected an agent to have been alert to risks such as a fraud or having it lost / stolen and therefore ready to probe to uncover the reason in order to provide relevant education, detect a scam wasn't occurring and discuss other safer payment methods or security.

Regarding education information, I would expect an agent to bring to life the key features of the most likely scams – which would include an impersonation scam – and carefully and clearly explain how they work so a customer can understand and relate to them.

Regarding probing, I would expect an agent to be asking questions that flesh out the detail and use their expertise to question a customer to see that the given purpose of a payment holds up to a reasonable level of scrutiny. The purpose being to break through any spell cast by clever and sophisticated fraudsters as victims are often coached into giving cover stories for payments and withdrawals, as was the case here.

I found the information that Santander submitted to be limited. It said:

- *'Enhanced scam chat - Gbp 5000 - Cash wdl'*
- *'Customer is travelling to europe for holidays and assured she is not under any pressure'*
- *'Customer made aware that bank will not be liable for any losses'*
- *'Uk passport idsp'*

And their 'enhanced scam chat', which Mrs S strongly disputes having, directed the agent to:

- A. *'Establish the reason for the payment' and say:*
- B. *'It's really important your honest with us during this conversation so that we can help protect you. If this payment turns out to be part of a scam, it could impact any reimbursement decision or the ability to recover your money'.*
- C. *'Criminals can be very convincing and ask customers to mislead their bank so if anyone had told her to lie or mislead the bank to avoid detection. If anyone has asked you to lie or mislead the bank as part of this payment request, it will be a scam. This includes giving us a different payment reason to the one that's true. Has anyone asked you to mislead us?'*
- D. *'If you've been told to move your money to keep it safe or as part of an investigation, this will be a scam. Has this happened to you?'*

Although I don't disbelieve Mrs S's version of events, I think it more likely than not that the above chat (A to D) was read to her. I say this because Santander say it is a strict protocol and their training and system are likely set up to ensure compliance. Also, I noted Mrs S describes a very stressful situation and says, 'everything happened very quickly'.

Due to the lack of information on the agent's interaction with Mrs S, I asked Santander if they obtained a testimony from the agent and they then provided the following:

- *'I cannot specifically recall the probing questions with this customer, but I have left and alert and when I do the scam chat, I refer to the enhanced scam chat i-exchange. After probing I would have made the withdrawal as the customer assured, she is not under pressure, duress and that it was all genuine'.*

I considered this testimony from Santander, which appears to have been some time after events, and their above file notes together with Mrs S's testimony which said there was a lack of probing.

I'm persuaded by Mrs S's written and verbal testimony that there was a lack of probing questions. This is because I found her account both consistent and persuasive and, even though she was in a stressful situation (which I think likely affected her memory of the warnings), I think it more likely than not that she would've recalled being asked probing questions about a holiday she would've had to make up. Also:

- *It is important for an agent to flesh out the detail (in addition to providing support) and importantly detect risks and break down cover stories by listening to comments that may sound illogical and look at physical signs of stress. Then give educational information, bring to life key features of scams including impersonation scams (which would've been a possibility) to see if they resonate.*
- *I would've expected an agent to have asked the following type of questions:*
 - *Why Mrs S needed a high amount of cash for her holiday and couldn't use safer payment methods.*
 - *When Mrs S was travelling.*
 - *Whether she had considered security, the risk of having the cash lost or stolen whilst travelling or staying in accommodation.*
 - *If it was for accommodation or paying for excursions (which would've been likely answers), whether she had considered using a combination of faster payments, cards and a smaller amount of cash.*
 - *Which countries she was travelling to in order to determine the best currency and, if cash was essential, whether she wanted to order Euros which would be a better (most likely cheaper) option for most European cities.*
- *As Mrs S was led to believe that there was staff corruption, I think it likely she would've come up with answers to these types of probing questions and, even if she was given a cover story about the cash, I think she would've had to have quickly made up answers to the above question examples. And as she was being listened to and Mr S was standing next to her, I think she probably would've come across as hesitant and nervous and struggled to explain the necessity of cash.*

Therefore, I think the agent would've (if she's asked probing questions) picked up on this and become suspicious. And, as per the above Banking Protocol, referred to her seniors, who would've then taken Mrs S to a private area, without Mr S, to give more scam education and ask further probing questions.

Although I can't be certain, I think that if a senior member of staff brought scams (including impersonation scams) to life and confronted Mrs S (who I believe wasn't as convinced as Mr S) on a suspicion the cash was for a scam that, without the pressure of having Mr M by her side knowing X was listening in, she more likely than not would've been truthful and this would've unravelled the scam, stopped the

withdrawal and restricted her account.

But, even if she wasn't truthful, I think a senior staff member would've been suspicious about her answers and picked up on hesitant and nervous behaviour when answering probing questions and would've either stopped the payment to give Mrs S the chance to reconsider or provide proof of travel. Also, they may well have involved the part of the Banking Protocol and called the police who would've persuaded Mrs S that it was scam.

Either way I'm persuaded the intervention wasn't thorough enough and Santander could've delayed and / or stopped the cash transaction and prevented Mrs S being scammed.

It follows that Santander then ought to compensate Mrs S for that loss by reimbursing the money that was withdrawn.

Contributable Negligence

I considered whether Mrs S should bear some responsibility for her loss and I think she should.

Mrs S was the innocent and unwitting victim of a sophisticated scam in which the fraudster appears to have used technology loopholes to convince Mr S (who then convinced her) that he was genuine. However, she confirms that after the cash was handed to her by Santander it was under her control. Yet despite this and her realising 'that something is very wrong and things do not add up' and her refusing to pass the money on she says that against her judgement she allowed herself to be persuaded to do so.

So, although I understand Mr S's influence and genuinely empathise with her distress and financial loss here, as she passed the funds on with the knowledge that she would likely lose it, perhaps helped in her belief that something was wrong by Santander's warnings (if they registered), I don't think it would be fair or reasonable to hold Santander liable for the full loss.

Putting Things Right

In situations where I think both parties made errors our approach is to split the loss.

So, having considered all the above, my provisional decision is to require Santander to:

- Provide Mrs S with a refund of 50% of her loss which is £2,500.*
- Pay 8% simple interest on the payment from the 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.

This is subject to any comments that either Santander UK Plc or Mrs S may wish to make.

These must be received by 29 January 2026.

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, both parties responded to say they disagreed with it.

Mrs S's points reiterated her view that she considered Santander's intervention and her call with them, after the money was released, to be ineffective. Although I fully understand her upset and request for a full refund, she didn't present an argument against my reasons for applying contributory negligence.

Santander also reiterated their contrary view that, based on the evidence they've submitted, it's reasonable to assume other questions were asked and advice was given on making a faster payment. Also, a branch statement wasn't available due to the length of time, there were insufficient red flags and, as they aren't the police, they must strike a balance and not be overly intrusive when asking questions.

Having looked at everything again, it's unfortunate that Santander didn't request a statement from their agent sooner (when considering Mrs S's claim) as their agent would've had a greater chance of recalling events and, although I think the payment reason was ascertained and warnings B to D were read, for the reasons detailed in my provisional decision, I remain of the same view that:

- The cash withdrawal was unusual for Mrs S and presented risks.
- The intervention should've been more thorough.
- If it had been stronger Santander could've delayed and / or stopped the cash transaction and prevented Mrs S's loss.
- Mrs S should bear some responsibility for her loss.

Putting things right

I appreciate this is a finely balanced decision and both parties will be disappointed. But due to incomplete and conflicting information, I've had to consider what on balance of probabilities most likely happened together with contributory negligence. And in situations where I think both parties made errors our approach is to split the loss.

So, having considered all the above, my final decision is to require Santander to:

- Provide Mrs S with a refund of 50% of her loss which is £2,500.
- Pay 8% simple interest on the payment from the date of loss to date of settlement.

My final decision

For the reasons mentioned above, my final decision is to partially uphold this complaint against Santander UK Plc and my requirements are detailed in the above Putting Things Right section.

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

Paul Douglas

Ombudsman