

## The complaint

Mr J is unhappy that Santander UK PLC won't reimburse him after he reported being the victim of a scam.

## What happened

Both sides are aware of what happened so I will provide a brief summary.

In February 2024, Mr J was looking for flights abroad. He said his sister recommended using a travel agent that she had used before – I shall call him 'Mr K'.

On 25 February 2024, Mr J made a payment of £2,800 to Mr K for flight tickets for five people abroad. He then made an additional payment of £110 on 27 February 2024 which was in relation to additional fees for one of the tickets.

Mr J contacted Mr K to cancel the tickets a few months later. A few days after requesting cancellation, Mr J contacted Mr K again to ask for a good deal for his wife and children as he wanted to take the flights again. Mr K said it would cost £900 to reinstate the tickets and he gave Mr J different account details in a third party's name to make the payment.

On 18 August 2024, Mr J made a payment for £900 to the account.

Mr J contacted Mr K again in October 2024 as he still hadn't received the tickets, but he didn't hear back from him.

Mr J reported the matter as a scam to Santander. Santander declined to refund Mr J as it said the matter was a civil dispute. As the parties could not agree, Mr J referred the matter to the Financial Ombudsman Service.

Our Investigator looked through everything provided and thought the matter was a scam rather than a civil dispute. She partially upheld the complaint as she thought Mr J should be reimbursed under the relevant rules for the first two payments he made, but she didn't think he should be reimbursed for the last payment of £900. Mr J accepted this.

Santander disagreed with the view as it still believed the matter was a civil dispute. The matter has come to me to consider.

I issued a provisional decision setting out why I was not intending to uphold the complaint. In my provisional decision I said:

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*In deciding what's 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 having been good industry practice at the time.*

*In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (in this case, the 2017 regulations) and the terms and*

conditions of the customer's account. However, that isn't the end of the story. At the time of the payment, Santander was a signatory to the Lending Standards Board's Contingent Reimbursement Model Code ('the CRM Code'). The CRM Code did provide reimbursement to some victims of Authorised Push Payment ('APP') scams, but it did not always apply.

The CRM Code specifically says it doesn't apply to "(b) private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier;"

Santander said it considers what happened between Mr J and Mr K to be a civil dispute, so it isn't covered under the CRM Code and it doesn't have to reimburse him for this reason. I will consider if I think this is reasonable.

*Is what happened a scam or a civil dispute?*

The relevant section of the CRM Code defines an APP scam as:

The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.

So, for me to find that Mr J had been the victim of a scam, rather than a civil dispute, I would need to be satisfied that:

(a) There was a misalignment between Mr J's purpose for making the payment and Mr K's purpose for procuring the payment; and

(b) The difference between the two purposes must be due to dishonest deception on the part of Mr K

One of the key considerations here is thinking about what was Mr K's intention from the start of the process – did he intend to dishonestly deceive Mr J? Did he never intend to provide flight tickets to Mr J?

I appreciate there are challenges in establishing what another person's intentions were and that I cannot know for sure. So I must consider all the available evidence and weigh this up in order to decide on balance what I think Mr K's intention is likely to have been.

I also want to make it clear that the threshold for me saying fraud has occurred is a high one, (though not as high as in criminal proceedings). My role is to decide if I think fraud is more likely than not to have happened. It isn't enough for fraud to be one of a number of plausible theories for what happened, it has to have been more likely than not to have occurred.

Having considered everything provided, I don't have enough evidence to say that a scam occurred here. I appreciate that this isn't the outcome Mr J wanted, but I will explain how I reached my conclusion below:

- Mr J told Santander that his sister and other family members had previously purchased flight tickets from Mr K for many years without any issues. I don't think it's unreasonable to infer that Mr K intended to provide the tickets to Mr J when the evidence suggests he had been fulfilling orders in the past.
- Mr J also told Santander that whenever Mr K's services were needed in the past,

*they would either attend Mr K's house, or he would come to theirs. Whilst this doesn't strike me as something travel agents usually do, it also doesn't suggest that Mr K is a scammer, as they usually want to hide their personal details from their victims.*

- *Looking at Mr K's account statements, the account was run in a way which suggests to me that he was receiving orders and providing flight tickets for people:*
  - *I can see that there were a large number of incoming payments with references which relate to tickets, suggesting a large number of customers were purchasing tickets from Mr K.*
  - *There were outward payments where the amount sent roughly correlates with the amounts that were paid in – I think the difference in amount could be consistent with a travel agent taking commission for a sale.*
  - *Some of the outbound payments also had references that indicated they were for tickets, which would indicate Mr K was making payments to fulfil orders, though I accept that the majority of payments do not have a reference like this.*
  - *Despite the destination of the outbound payments not being clear, I still think on balance that Mr K probably did fulfil the orders from most of his customers. I say this because, if Mr K's intention was to scam his customers, I would expect the number of fraud reports received by the receiving bank to be much higher.*
- *I also note that there aren't any negative reviews or articles online about Mr K or his company to suggest he is a scammer. Given the number of customers he appears to have had, I would expect to see some evidence of this if he was scamming his customers.*
- *Whilst I appreciate that Mr J didn't receive the flight tickets that he booked, it does appear that the booking was made by Mr K at one point, as Mr J told Santander that he was able to log into the airline website to check the booking before it was cancelled. I don't know when he checked the booking, or who cancelled the booking or why, so I don't have enough evidence at this stage to say that the booking and cancellation was part of a scam orchestrated by Mr K.*
- *I also think there could be other equally plausible reasons why something went wrong with the flight booking instead of Mr K being a scammer:*
  - *All the fraud reports for Mr K concern bookings made around a similar time period – this could indicate that something happened at that time which changed how Mr K was operating, or that something was wrong with a particular flight.*
  - *Mr K operated his business somewhat informally, so it could be the case that there were some issues with his finances or organisational skills which meant the flight was never rebooked, and that Mr K was covering this up when he said he had.*

- *Mr J said Mr K told him he had had a heart attack. If that were true, it's understandable why this could impact the running of his business.*
- *The fact that other plausible reasons exist for what happened makes it more difficult for me to decide on balance that a scam occurred.*

*I accept that Mr J is deeply unhappy with Mr K; he didn't get what he paid for and feels he has been lied to by him. I'm sorry Mr J experienced that. But the evidence I have seen isn't enough to reach the bar and say that Mr K had fraudulent intent.*

*My role is to consider if the evidence shows that what happened here was a scam, as defined in the CRM Code, and if Santander should be liable to reimburse Mr J for the payment under the relevant scam rules.*

*Based on the points above, I don't think there's enough evidence to suggest that a scam occurred. I think it was reasonable of Santander to conclude that this matter is a civil dispute and the CRM Code does not apply. This means I won't be asking Santander to reimburse Mr J.*

### **Responses to my provisional decision**

I asked both parties to provide anything further before I reached a final decision. Santander did not respond but Mr J did. He disagreed with my provisional decision and said:

- He hasn't had any previous dealings with Mr K. Mr K was recommended to him by his sister who told him that Mr K was a travel agent.
- He never told Santander that he was able to login to the airline website to check the booking before it was cancelled. He told Santander that the documents the scammer sent him weren't showing on the airline website and that Mr K kept saying he would send the tickets, which he never did.
- Just because others had received their tickets didn't mean that he hadn't been scammed. He was given excuses by Mr K and hadn't received the tickets or a refund.
- There was evidence circulating on social media of people complaining Mr K had scammed them.

As both parties have now had time to respond, I will go on to make my 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'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 haven't changed my decision.

Thinking about Mr J's comments in relation to my provisional decision in particular:

- I appreciate that he may not have known Mr K personally, but the fact still stands that Mr K previously acted legitimately in selling flight tickets to other people, even successfully selling to Mr J's sister in the past. I don't think it's unreasonable to infer that Mr K continued to be legitimate when he had been legitimately selling flight tickets previously.

- I'm willing to accept that there has been a misunderstanding in Mr J's discussion with Santander, and that he wasn't able to log in to the airline website with the document and references he received from Mr K. Whilst this could be evidence that Mr K didn't intend to actually provide Mr J with tickets, it could also be evidence that something went wrong with the booking or reinstating the tickets after Mr J initially cancelled. So, I don't think this evidence is strong enough evidence to say a scam occurred.
- Mr J has also provided evidence to show there are a number of people who have also been affected by Mr K's actions. Whilst I am sorry to hear that there might be more people impacted, I don't have the evidence to say that Mr K never intended to fulfil orders for those customers either.
- I also note that, even though there are more people coming forward to say a scam has occurred, it's still the case that the police and Trading Standards don't appear to have taken action against Mr K. This would suggest that the evidential threshold hasn't been met for them to investigate this. As things stand, that suggests it's unlikely that the matter is a scam.

Overall, for the reasons explained in my provisional decision (which is outlined and forms part of this final decision) and my subsequent points above, it remains the case that I cannot ask Santander to reimburse Mr J.

I still don't think there is enough evidence to say what happened to Mr J was a scam and so I think Santander acted fairly and reasonably in declining reimbursement.

### **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 J to accept or reject my decision before 4 March 2026.

Paula Lipkowska  
**Ombudsman**