

## **The complaint**

Mr L complains Santander UK Plc (“Santander”) has declined to offer him a refund of a payment he now believes was made as part of an investment scam.

## **What happened**

The background to this complaint is well known to both parties, so I won’t repeat it all in detail again here. However, in summary, Mr L believes he has fallen victim to an investment scam.

In November 2020, Mr L made a £20,000 payment to an investment. Mr L received one of the interest payments he was expecting in return but no further returns were paid. Mr L now believes the company he invested with - “A” - was operating a scam.

With the help of a professional representative, Mr L reported what had happened to him to Santander and he asked for a refund of the amount lost. Santander declined to offer Mr L a refund. It said it thought Mr L’s circumstances most likely amounted to a private civil dispute rather than a scam that it should become involved in now.

Unhappy with Santander’s response, Mr L brought his complaint to this service where one of our investigators looked into things.

Our investigator didn’t uphold the complaint. They said they didn’t think there was sufficient evidence to demonstrate Mr L had been the victim of an APP scam.

Mr L disagreed with the investigator’s findings and as an informal agreement could not 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.

Having done so, I agree with the outcome reached by our investigator, for the same reasons and I have very little to add over and above what they have already said. So, whilst I am sorry to hear about what has happened to Mr L, I won’t be upholding this complaint. I’ll explain why in more detail below.

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 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 the bank to reimburse the customer even though they authorised the payment.

Santander was a signatory of the Lending Standards Boards Contingent Reimbursement Model (“the CRM code”) at the time Mr L made the payment now in question here. The Code requires firms to reimburse customers who have been the victims of Authorised Push Payment (“APP”) scams in all but a limited number of circumstances. But customers are only covered where they have been the victim of an APP scam as defined in The Code. The relevant definition of an APP scam as set out in the CRM code is:

*“the customer transferred funds to another person for what they believed were legitimate purposes but were in fact fraudulent.”*

The Code doesn’t apply to private civil disputes, which it defines 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, in order to determine whether Mr L has been the victim of an APP scam as defined in the CRM Code I need to consider whether the purpose he intended for the payment was legitimate, whether the purpose he and A had intended for the funds were broadly aligned and then, if they weren’t, whether this was the result of dishonest deception on the part of A.

From what I’ve seen and what Mr L has told us, I’m satisfied Mr L made the payment here with the intention of investing with A. I haven’t seen anything to suggest Mr L didn’t think this was a legitimate purpose. However, I’m not satisfied the evidence I’ve seen sufficiently shows A intended a different purpose for the payment.

From what I’ve seen, the communication Mr L received from A appears to have been relatively professional. The way he was told the investment would work doesn’t appear to have been suspicious. The returns he was told he could receive don’t appear to have been too good to be true. And, at the time Mr L made his payment, A was registered on Companies House and had been for a number of years,

Since Mr L stopped receiving returns, A has appointed formal liquidators and is currently going through the formal process of being wound up – which I wouldn’t necessarily expect of a scam company. And I’ve not seen anything from the liquidators of A which suggests it was operating a scam or that any money it received wasn’t invested in the way investors were told it would be. I also haven’t been provided with evidence of any investigation by any external organisation which concludes that A was operating a scam.

So, overall, I’m not persuaded that the available evidence is sufficient to conclude its more likely than not that the purpose A intended for Mr L’s payment was different to the purpose Mr L intended. And so, I don’t think the circumstances here meet the definition of an APP scam as set out in the CRM Code, or that Santander has acted unreasonably in not agreeing to refund the money Mr L lost as a result.

It’s possible that material new evidence may become available at a future date, which suggests A did take the payment using dishonest deception. If that happens, Mr L can ask Santander to reconsider his claim under the CRM code.

I’ve also considered whether there is anything I would’ve expected Santander to have done, outside of its obligations under the CRM code, that would have prevented Mr L’s loss. But even if Santander had identified a risk of financial harm as a result of this payment and carried out further proportionate checks, I don’t think anything it would have uncovered at the

time would've caused it significant concern. And so, I don't think anything I would've reasonably expected Santander to do would have prevented Mr L's loss.

I'm sorry to disappoint Mr L, I know he has lost a significant amount of money, but I'm not satisfied that I can fairly ask Santander to refund him based on the evidence that is available to me.

### **My final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 15 April 2026.

Emly Hanley Hayes  
**Ombudsman**