

## The complaint

Mr S complains that Santander UK Plc won't refund the money he lost to an investment scam. Mr S is represented in this complaint, but I'll refer to him as it's his complaint.

## What happened

The information on events is very limited as Mr S's account is brief, presumably due to events taking place five years ago and him deleting and destroying his communications with the scammer(s) due to the stress and him thinking it wouldn't be needed.

Mr S explains that Person C (the scammer) approached him on social media about crypto investments with companies M, X and S and he was persuaded to make three payments under £5,000 from his Santander account. These payments were:

Payment Number	Date	Payment method	Payee	Amount
1	19/12/20	Card / International payment	Company S	£4,677.00
2	19/12/20	Card / International payment	Company S	£4,677.00
3	22/12/20	Card / International payment	Company X	£4,712.20
Total				£14,066.20

Mr S recalls:

- The scammers being in constant contact and showing professional knowledge about investments.
- Being told to expect profits of 25 to 30%.
- Seeing his balance on a fake investment account rising to USD 54,000.
- Realising it was a scam when he couldn't make any withdrawals, and he received excuses including Person C having passed away.

Mr S contacted Santander about the scam in 2025 to claim a refund. This is because he thinks their intervention was inadequate as, if the agent had asked probing questions, they would've identified the hallmarks of a standard cryptocurrency trading scam and prevented his loss.

Santander rejected Mr S's claim and said they wouldn't provide a refund as he'd authorised the disputed payments using his debit card.

So, Mr S brought his complaint to our service, and it was considered by two of our investigators:

- The first investigator, who left our service, issued a partial uphold view which Mr S agreed with, but Santander didn't. The investigator considered that Santander should've been concerned about all the payments and effective interventions would've likely

unravelling the scam. Also, he said that as Mr S should've done more to protect himself he should only receive a 50% refund from payment 1.

- Our second investigator had a different view. Although she thought there should've been an earlier automated intervention – at payment 2 – she didn't think this would've made a difference. Also, she considered Santander's intervention on payment 3 to have been reasonable and therefore didn't agree that a refund was necessary. Santander agreed with the second view, but Mr S didn't.

As Mr S remains dissatisfied his complaint has been passed to me to look at.

### **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, my decision is not to uphold this complaint and I'll explain why.

I should first say that:

- From reviewing the information in the file, I'm satisfied that Mr S has been the victim of a cruel investment scam and I'm very sorry to hear about his financial loss and the distress he experienced.
- 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.
- Although Santander was a signatory of the Lending Standards Board's Contingent Reimbursement Model (CRM) Code which, prior to 2024, required firms to reimburse customers who have been the victim of a scam in most circumstances, I'm satisfied this code doesn't apply here. This is because the CRM Code excludes card and international payments.
- Regarding a chargeback, Santander wouldn't have been able to raise a claim as, when they were made aware of the scam, the time period had expired.
- The Payment Services Regulations 2017 (PSR) is 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 Mr 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.

With the above in mind, together with information from Santander on Mr S's account activity and their human intervention prior to releasing payment 3, I first considered whether Santander should've recognised that payments 1 and 2 carried a heightened risk of financial harm prior to release. And, if they did, what type of intervention they should've put in place back in 2020 when crypto payments didn't yet automatically carry a significantly elevated risk of fraud.

#### *Payment 1 - £4,677.00 on 19 January 2020*

Although I recognise Mr S didn't make payments of this size from his account, I'm not persuaded that Santander would've had cause for concern. I say this because the amount wasn't particularly large, it would've appeared as an isolated payment and a few months earlier Mr S had made a very large payment into his account that would likely be moved. Also, as mentioned above, banks have to strike a careful balance when deciding to intervene. In addition, they process thousands of payments each day and I wouldn't have expected their detection system to have been programmed to pick up on names in the title of the company, such as 'school' and 'broker', that can apply to many companies.

#### *Payment 2 - £4,677.00 on 19 January 2020*

I think payment 2 did have a heightened risk as it was for the same amount as payment 1 and was made on the same day. And combined payments 1 and 2 meant Mr S was paying the same company £9,354 which I do consider to be a large amount.

When considering a proportionate intervention for this second successive payment and Santander not having risk information on the company or information on consumer vulnerabilities, I also think this should've been a written warning broadly covering scam risks.

I then considered whether, on balance of probabilities, a written warning would've stopped Mr S from making payment 2.

When considering the payment 3 human intervention call and information from Mr S that he had completed due diligence on the company he was investing in and wasn't put under any pressure to make the payment, I'm not persuaded broad scam warnings would've caused him to stop.

#### *Payment 3 - £4,712.20 on 22 January 2020*

As Santander recognised a heightened risk on this payment and did put in place a much stronger human intervention, which I think was proportionate considering his expenditure pattern in four days, I listened to the recording to see whether the fraud and scam agent should've done more bearing in mind:

- A. In 2020, crypto payments didn't automatically carry a significantly elevated risk of fraud.
- B. Santander, however, should've been aware of a certain element of risk of crypto scams since January 2019 as the FCA and Action Fraud published warnings in mid-2018.

Considering Point B, that the agent mentioned crypto scams and identified the payments were for crypto and going to Company S and Company E I would've expected an agent to have been more curious. And as Mr S had only days earlier paid a company with 'school' and 'broker' in its name £9,354, I would've (in 2020) expected some light probing about the two companies and what he knew about them, how he was introduced and who was helping him.

However, it is difficult to be persuaded that Mr S would've answered additional probing questions in a way that would've caused the agent concern. I say this because:

- Mr S has deleted and destroyed his evidence, including his important dialogue with the scammer, and without this I can't be sure that he wasn't coached or under their spell and persuaded that truthful answers might result in his payment being stopped and him not being able to receive a large profit.
- When the agent warned him about crypto scams and probed to ascertain if he'd received a cold call suggesting he invest in the companies or unknown parties pushing a particular company, which is what appears to have happened here, he repeatedly said 'no' and rather than make any mention of who and how he was contacted he said he understood her concerns.
- Mr S sounded assured when talking about his due diligence checks.
- Mr S appears to have received documentation that he could've referred to if questioned about due diligence on the companies but has destroyed it.
- Scammers' tactics tend to be to put pressure on victims and convince them that banks may stop them earning high profits. And towards the end of the call, when Mr S was again asked if he was being put under any pressure, he laughed and said 'no'.
- Mr S's testimony suggests he trusted Person C and didn't know where the payments were going. Yet on the call, despite appearing not to know where they were going, he made out he knew the rough destination.
- Mr S had followed instructions to make the three payments and keep them under £5,000 each.

I appreciate that there is some testimony from Mr S, however due to the gap in time it is very limited, and I understand him wanting to delete evidence, but even though I think there could've been some additional probing, I'm not persuaded that the intervention was weak for 2020, and the agent could've gained sufficient information from Mr S to have prevented him making the payment or to have been suspicious enough to block the payment and restrict his account.

So, whilst I'm genuinely very sorry to hear about Mr S's financial loss and distress, having considered all the information on file, I'm not upholding this complaint.

### **My final decision**

For the reasons mentioned above, my final decision is no to uphold this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 March 2026.

Paul Douglas

**Ombudsman**