

The complaint

Mr M and Mrs M have complained Santander UK Plc won't refund several payments they say they made and lost to a scam.

Mr M and Mrs M are represented by a professional representative, but for ease I will just refer to Mr M throughout as he was the account holder sending the funds.

What happened

In summary, Mr M fell victim to an investment scam. He made numerous payments between March 2020 and April 2020 to a digital platform, that I will call 'W', before forwarding their funds to the fraudsters. Mr M believed he was sending funds to a credible investment firm. However, he subsequently uncovered the investment was a scam in December 2020 when he received a message from the scammers stating the connection to the server had been severed, his attempts to withdraw funds were unsuccessful and the platform disappeared.

Santander didn't reimburse Mr M's lost funds and so he referred the complaint to us. Our Investigator looked into things but didn't recommend the complaint be upheld. She wasn't persuaded, on balance, that Santander could have prevented Mr M from falling victim to the scam. She found this because when Mr M was asked for the reason for the payment he did not select the most appropriate reason, leading to a less applicable warning being given. She also wasn't persuaded if a subsequent intervention did occur that a general scam warning would have resonated with Mr M. Mr M disagreed and, amongst other things, highlighted he had no recollection of any warnings and so requested a final decision.

As our Investigator couldn't resolve the matter informally, the case has been passed to me to issue the 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'm aware that I've summarised this complaint briefly, in less detail than have been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Mr M has been the victim of a scam here; he has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean Mr M is automatically entitled to recompense by Santander. It would only be fair for me to tell Santander to reimburse Mr M for their loss (or a proportion of it) if: I thought Santander reasonably ought to have prevented all (or some of) the payments Mr M made, or

Santander hindered the recovery of the payments made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Santander treated Mr M fairly and reasonably in its dealings with him, when he made the payments and when he reported the scam, or whether it should have done more than it did. Having done so, I've decided to not uphold Mr M's complaint. I know this will come as a disappointment to him and so I will explain below why I've reached the decision I have.

I have kept in mind that Mr M made the payments himself and the starting position is that Santander should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance. I appreciate that Mr M did not intend for their money to ultimately go to fraudsters, but he did authorise these payments to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - Santander should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out 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 payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

So, I've thought about whether the transactions should have highlighted to Santander that Mr M might be at a heightened risk of financial harm due to fraud or a scam.

I have kept in mind the payments were to a cryptocurrency provider, but that doesn't mean payments should automatically be treated as suspicious, particularly when there are no other concerning factors about the payments. Banks do have a lot more awareness around payments to cryptocurrency exchanges now, but we do need to bear in mind Mr M's payments were sent in 2020.

I've noted that Santander did give Mr M warnings on the initial payments of £3,900 and £4,050 on 3 April 2020. The warnings given were those linked with transferring funds to his own account – as this was the payment purpose he selected. Although I appreciate that Mr M selected this option as he was transferring funds to his own account, it was not the most applicable option of those available. Had he selected 'Transfer to an investment' a more appropriate warning would have been displayed which may well have resonated with him and prevented the losses occurring.

As the payments proceeded, in line with our Investigator, I do think Santander ought to have intervened again when the payment of £9,800 was made on 4 April 2020. I think a reasonable intervention would have been a written warning broadly covering general scam risks. However, I'm not persuaded this would have stopped Mr M proceeding as I do not

think such a general warning would have resonated with him. By this point he believed he was successfully investing in a sophisticated platform and generating profits with a trusted advisor – who even persuaded Mr M to open and fund an account for Mrs M.

I have noted that Santander's records show an outgoing payment for £19,500 was blocked and a call potentially taking place. But Mr M disagrees and believes it was in relation to a credit entering his account (for £19,705) and the only call taking place was him calling Santander. As each party has highlighted, there are no calls to evidence what exactly did occur. However, regardless of what happened in this call (or calls), I'm not persuaded that any additional scam warnings (like those given before) would have uncovered the scam or prevented Mr M proceeding. The scammer's influence did not appear to be waning - and it was only when he was unable to withdraw their "profits" and the platform disappeared did Mr M realise he had been scammed.

Consequently, although I am sorry to hear of the losses Mr M has suffered because of such a cruel scam, I don't think Santander could have prevented the losses.

Recovery

I have gone on to consider if Santander took reasonable steps to try and recover the funds. It's important to note that Mr M sent the funds first to his own account with W, before then sending them on to a wallet address provided by the scammer. Santander would only ever have been able to attempt to recover the funds from his own account at W. If these funds had not already been transferred to the scammers, they would be in his control to access as and when he chose. Therefore, I won't be asking Santander to do anything further.

I also do not think there would have been any successful chargeback options where the funds reached the correct destination and the expected service was then given.

The Contingent Reimbursement Model Code

Although Santander have signed up to the Contingent Reimbursement Model Code, the payments Mr M made from his account aren't covered by the Code because the payments were to his other account and not to another person. Additionally, card payments are also not covered the Code. I cannot fairly and reasonably say that Santander should have to refund payments under the Code when it doesn't apply here.

So, in light of all of the above findings, there's no fair and reasonable basis under which I can ask Santander to reimburse Mr M's loss.

My final decision

My final decision is I do not uphold this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 April 2026.

Lawrence Keath
Ombudsman