

The complaint

Mr R has complained about Santander UK Plc not refunding a payment he says he made and lost to a scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. In summary, Mr R fell victim to a purchase scam in September 2025 where the scammer persuaded him to make a payment of around £5,000 for flight tickets. However, he discovered shortly after he had been scammed as the payment he made was for another destination, via a different legitimate online entity, and not for his own pending holiday. Mr R then quickly contacted Santander as the payment was still showing as pending in his account.

However, Santander said it could not stop the payment and did not compensate Mr R for his loss either. It did accept there were some service failings and awarded him £125. Mr R was unhappy that Santander did not refund the monies lost to the scam and referred the complaint to our Service.

Our Investigator reviewed Mr R's allegations against Santander but didn't uphold the complaint as, although she was empathetic to Mr R, she didn't think Santander had acted incorrectly. Our Investigator didn't consider that Mr R's one-off payment to a legitimate entity ought to have been of concern to Santander. Mr R disagreed and requested a decision.

As our Investigator couldn't resolve the matter informally the case 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.

I'm aware that I've summarised this complaint briefly, in less detail than has 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 R 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 he is automatically entitled to recompense by Santander. It would only be fair for me to tell Santander to reimburse Mr R for his loss (or a proportion of it) if: I thought Santander reasonably ought to have prevented the payment Mr R made, or Santander hindered the recovery of it – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

Having done so, I've decided to not uphold Mr R'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 R made the payment himself and the starting position is that Santander should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSRs 2017) he is presumed liable for the loss in the first instance. I appreciate that Mr R did not intend for his money to ultimately go to a scam – but he did authorise the payment. 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.
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.

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

Having considered Mr R's payment I agree with our Investigator's findings. I'm not persuaded that Santander should have been concerned with Mr R's payment as it would not have appeared to be suspicious or unusual. The payment was not of such a value that I would have expected Santander to have intervened. Nor were there sufficient wider red flags which ought to have highlighted to Santander Mr R may be falling victim to a scam.

I think it's important to highlight that there are many payments made by customers each day. It's not reasonable to expect Santander to stop and check every payment instruction to try to prevent fraud or financial harm. There's a balance to be struck between the extent it intervenes in payments to protect customers and not unnecessarily disrupting legitimate payment instructions.

I'm very sorry to disappoint Mr R - however, I don't think Santander should have prevented the payment being made. So, it wouldn't be reasonable for me to ask them to refund the payment made.

The repercussions such a cruel scam has had on Mr R is not something I have overlooked when reaching my decision. I have kept in mind that Mr R had 'Customer support' markers listed on his Santander profile. However, I do not consider that these markers, in isolation of any other clear indicators of a potential risk of financial harm during the payment, to be

something that should have triggered further red flags for Santander. The payment made would have looked to be legitimate and not, even with his markers, one which ought to have caused Santander concern.

I've also kept in mind Mr R has highlighted other financial entities which have returned the funds lost via them. However, just because other banks may well have decided to refund lost funds it does not mean Santander automatically must do the same.

I am sorry to hear of the loss Mr R has suffered as part of this cruel scam. However, I do not find it reasonable to hold Santander responsible for his losses.

Recovery

The only method of recovery Santander has for payments made by card is to request a chargeback. However, Mr R didn't make the card payment to the scammer directly, he purchased a legitimate service which appears to have been made available by the merchant – albeit Mr R was not the one to benefit. The fact that he did not benefit does not give rise to a valid chargeback claim – even though the claim stemmed from Mr R unfortunately falling victim to a scam. I've similarly noted that Santander states it did not receive enough information from Mr R to proceed with the dispute.

There is also no basis for Santander to have been able to stop the payment - even though it was still showing as pending on Mr R's account. Once authorisation is given by a customer, Santander must then fulfil its obligation of releasing the funds to the merchant – as it would in all other instances.

As I do not think there was any additional action Santander could have taken, which would have successfully recovered Mr R's funds, I won't be asking it to do anything further.

The Contingent Reimbursement Model Code

Although Santander has signed up to the Contingent Reimbursement Model Code, the payment Mr R made from his Santander account isn't covered by the Code because he made the payment via card. Card payments are not covered by the Code. I cannot fairly and reasonably say that Santander should have to refund his payment 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 R's loss. Nor would I consider making any additional awards in this instance for Santander's actions during or following the scam.

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 R to accept or reject my decision before 8 May 2026.

Lawrence Keath
Ombudsman