

The complaint

Mr N has complained that Santander UK Plc won't refund the money he lost to a crime he's described as a scam.

What happened

Both sides are most familiar with the case, and we must anonymise decisions, so I'll summarise what happened relatively briefly.

Mr N was talking to someone from social media. They used his photo to produce an explicit image of him, and had taken note of his contacts. They threatened to send the image to his contacts if he didn't pay them.

Mr N made a £100 card payment from his Santander account to an international money transfer service, and the money was sent on to the blackmailer from there.

Shortly afterwards, Mr N reported the matter to Santander and complained, requesting a refund. Santander explained they sympathised, but they weren't liable.

The complaint was brought to our service. Our Investigator looked into things independently and didn't uphold the complaint. Mr N asked to take the matter further, so the complaint's 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.

First, I understand that Mr N fell victim to a cruel and distressing crime, for which he has my sympathy. I appreciate this cannot have been an easy matter to face, and I appreciate why he would like his money back. We must keep in mind that it's the blackmailer who's primarily responsible for blackmailing Mr N and the resulting distress, and it's the blackmailer who'd really owe Mr N his money back. But in this case against Santander, I'm just looking at what Santander might be responsible for.

Santander are not generally responsible for solving crimes – that's normally the police. Nor are Santander generally responsible for refunding all victims of any crime. Santander can potentially be liable in cases of scams, depending on the circumstances. When we talk about scams in this context, we don't mean it in the loose general sense. The relevant types of scams usually surround being deceived into paying money. Here, Mr N was victim to a crime – and again, he has my sympathy there. But he didn't make the related payment under false pretences – he understood what he was paying for and why. So it's not clear that this was a scam in the sense that Santander could be held liable for.

Even if I were to set that aside, I'm afraid I still couldn't reasonably hold Santander liable for the £100 loss. I'll explain why.

It's not in dispute that Mr N authorised the payment involved. And under the Payment Services Regulations, he is liable for the payments he makes and the resulting loss in the first instance. Broadly speaking, Santander had an obligation to follow his instructions – the starting position in law is that banks are expected to process payments which a customer authorises them to make.

Santander should have been on the lookout for payments which could be the result of scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. I've thought carefully about whether Santander should have done more in Mr N's case.

This was just a single payment, and not – for example – a series of lots of payments or a concerning pattern of rapid spending. While the amount was understandably troubling for Mr N to lose, it wasn't nearly large enough to have been of concerning size to the bank, it wasn't out of character for this account, and it came from a healthy balance. The payment was going to Mr N's account at a legitimate transfer service, and there was nothing else Santander would've been reasonably aware of which should've caused them to intervene. So I can't fairly hold them liable on the basis of any failure to intervene.

I've then considered what Santander did to try to recover the money after Mr N told them what happened. While Mr N did report the matter promptly, unfortunately it was still not possible for Santander to stop the payment by that point. While the payment would've still been showing as pending for a time, that's just to do with the way such card payments are processed before showing on one's statements. Santander couldn't stop the transfer service from claiming the money, nor could Santander forcefully take the money back. And as this was a card payment to Mr N's money transfer account, it wasn't covered by schemes like the CRM Code or the PSR's latest rules.

I'm afraid there was no chargeback reason which would've been appropriate here, either. A chargeback would've been a claim against the legitimate money transfer service rather than the blackmailer. And the money transfer service provided the service they were supposed to. There was no realistic prospect of success for a chargeback. And I'm afraid there was nothing more that Santander could've reasonably done which would've realistically got the money back here.

So while I'm very sorry to hear about what the blackmailer did to Mr N, I don't think Santander can fairly be held responsible for his loss. And so I can't fairly tell Santander to reimburse Mr N in this case.

My final decision

For the reasons I've explained, I don't uphold this complaint.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 9 April 2026.

Adam Charles
Ombudsman