

## **The complaint**

Mrs T complains Santander UK Plc trading as Cahoot (“Cahoot”) hasn’t refunded funds she says were lost as the result of a scam.

The payments were made from a joint account Mrs T held with her late husband Mr T. Where appropriate I’ll refer to the late Mr T within this decision as he’s the person who made the disputed payments.

## **What happened**

Both parties are familiar with the circumstances of the complaint, so I’ll only summarise the key details here.

In 2018, Mr T was looking to invest in cryptocurrency and decided to contact a company I’ll refer to as D. He told Cahoot he had previous investment experience of around 20 years, but was looking for a company to trade on his behalf. Mr T said that prior to investing he carried out due diligence including reviewing D’s website and online reviews. Prior to investing he received an investment brochure, strategy document and account terms. Mr T told Cahoot he expected dividends twice a year and D would take a 10% commission. Mr T was provided invoices for the investment.

Between 15 June 2018 and 17 July 2018, Mr T made two payments for £100,000 and a third payment for £200,000.

Mr T believed he had been scammed and raised a claim with Cahoot in November 2018. At the time he told Cahoot he became suspicious when the second payment for £100,000 went missing for around two weeks. Also, he received an investment invoice regarding printing equipment and when he checked Companies House, he found the associated firm was dormant. He told Cahoot he spoke with D about this, and it said it was a mistake which Mr T said he believed at the time. Mr T also said he had seen a recent warning on the Financial Conduct Authority’s (FCA) website noting D wasn’t registered. Cahoot didn’t reimburse his money.

In 2024, Mrs T raised a complaint with Cahoot via a professional representative which wasn’t upheld. Unhappy with its response, she raised the matter with the Financial Ombudsman Service. One of our Investigators considered the complaint and upheld it in part.

As an agreement couldn’t be reached the complaint has been passed to me for a final decision.

### *My provisional decision*

I issued my provisional decision on 30 January 2026. I decided, provisionally, not to uphold this complaint. This is what I said.

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Mrs T has raised another complaint with us related to an investment Mr T made which I am aware of, where necessary I'll comment on evidence provided on that complaint which is relevant to this complaint.

Not every complaint referred to us and categorised as an investment scam is in fact a scam. Some cases simply involve high-risk investments that resulted in disappointing returns or losses.

Certain high-risk investment traders may have promoted these products using sales methods that were arguably unethical and/or misleading. However, whilst customers who lost out may understandably regard such acts or omissions as fraudulent, they do not necessarily meet the high legal threshold or burden of proof for fraud, i.e. dishonestly making a false representation and/or failing to disclose information with the intention of making a gain for himself, or of causing loss to another or exposing another to the risk of loss (Fraud Act 2006).

In simpler terms, some merchants may have used sales and promotional methods that could be seen to be unfair by consumers considering the losses they've incurred – but this does not always amount to fraud.

Having looked at all the information available I don't think I have enough to say D was operating a scam. I've taken into consideration the warning on the FCA website which notes D isn't regulated but this doesn't mean it was operating as a scam firm and from what I've seen D didn't claim to be registered with the FCA. Mr T received literature regarding his investments and invoices for the payments. And it seems he was happy with his returns until November 2018 when he didn't receive a £9,000 dividend as expected. Which prompted him to contact Cahoot.

In any event, even if D was operating a scam, and I'm not saying it was, it doesn't necessarily follow that Cahoot would need to refund the money that has been lost. So, I've considered if Cahoot ought reasonably to have prevented the payments Mr T made.

In broad terms, the starting position at law is that banks and other payment service providers are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

Mr T authorised the payments in question here, so he is presumed liable in the first instance. But as a matter of good industry practice, Cahoot should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: as while banks and Electronic Money Institutions should be alert to fraud and scams to act in their customers' best interests, they can't reasonably be involved in every transaction.

I think the value of the payments ought to have concerned Cahoot and there's evidence to show it spoke with Mr T prior to processing the payments but due to the passage of time the calls aren't available.

In 2018 when the payments were made, I would have expected Cahoot to have spoken with Mr T about the payments and given him a general scam warning. Given the due diligence Mr T carried out prior to investing along with the paperwork he'd received regarding the investment, I'm not persuaded a warning of this type would have resonated with him or prevented him from making the payments. And I don't believe further research would have given Mr T information which wasn't available when he carried out his initial checks. The

FCA warning wasn't posted until around three months after the final payment and as I've explained the warning doesn't say D are operating a scam rather that it isn't regulated but, from what I've seen, D didn't claim it was. It seems Mr T's suspicions came several months after he made the payments as he told Cahoot when he raised a scam claim he hadn't received a recent dividend as expected. While he did go on to note some earlier concerns prior to this, for instance when the second payment took a long time to arrive in the beneficiary account, he continued to invest further, rather than carry out additional checks, which I think supports that Mr T was unlikely to have carried out further checks if Cahoot had given a general scam warning.

So, although, Cahoot should protect their customers from fraud and scams – by looking out for unusual or suspicious payments and carrying out additional checks before processing them. But, as I've explained, these responsibilities are predicated on there having been a fraud or scam. And given I've concluded that, on balance, these payments weren't made as part of a scam, these responsibilities don't apply here. And even if I thought it were a scam, I don't think Cahoot could reasonably have prevented Mr T from making the payments.

I'm sorry to disappoint Mrs T further, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Cahoot needs to refund her money or pay any compensation. I realise this means Mrs T is out of pocket and I'm really sorry she's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

#### Responses to my provisional decision

Cahoot accepted the provisional decision and said it had nothing further to add.

Mrs T's representative disagreed with the provisional decision. In summary they said they believe there is enough evidence that D was operating a scam noting no plausible reason was provided for Mr T being deprived of his funds or clear explanation for the printing invoice.

#### **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've thought carefully about what Mrs T's representative has said in response to my provisional decision, but it doesn't change my decision not to uphold this complaint. I'll explain why.

I am still of the opinion there isn't sufficient evidence that D was operating a scam. And in any event, I'm not persuaded that Cahoot could reasonably have prevented the payments Mr T made.

I should explain that for me to find it fair and reasonable that Cahoot should refund Mrs T requires more than a finding D was operating a scam or that Cahoot ought to have intervened. I would need to find not only that a scam had occurred, and Cahoot failed to intervene where they ought reasonably to have done so - but crucially I'd need to find that but for this failure the subsequent loss would've been avoided. That latter element concerns causation. A proportionate intervention will not always result in the prevention of a payment. And if I find it more likely than not that such a proportionate intervention from Cahoot wouldn't have revealed the payments were part of a fraud or scam, then I couldn't fairly hold Cahoot liable for not having prevented them from being made.

In 2018 I would have expected an intervention from Cahoot to broadly cover scams. And I think Mr T would have been able to satisfy Cahoot with his answers. I can't be sure Mr T would have disclosed the firm he was investing with, and Cahoot wouldn't have known it was D unless Mr T said so, as the payments weren't made directly to it. And even if he had disclosed it, I wouldn't have expected Cahoot to research the firm but rather ask Mr T if he'd carried out his due diligence. I don't think he would have carried out further checks into D and even if he did, I don't believe further research would have given Mr T information which wasn't available when he carried out his initial checks. On balance, I think the due diligence Mr T carried out prior to investing along with the paperwork he'd received would have reassured him such that a warning as I've described wouldn't have resonated with him or prevented him from making the payments. Additionally, Mr T was concerned when the second payment took a long time to arrive with the beneficiary and when he received the printing equipment invoice but neither prompted him to carry out further checks into D, which supports that he wouldn't likely have done so at Cahoot's suggestion. As I don't think Cahoot could reasonably have prevented Mr T from making the payments, it wouldn't be reasonable for me to hold Cahoot liable for the losses.

### **My final decision**

For the reasons explained, and in my provisional decision, I do not uphold this complaint against Santander UK Plc trading as Cahoot.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 20 March 2026.

Charlotte Mulvihill  
**Ombudsman**