

The complaint

Mrs L is being represented by solicitors. He's complaining about Santander UK Plc because it declined to refund money she lost as a result of fraud.

What happened

Sadly, Mrs L fell victim to a cruel investment scam after making contact with a company she found advertising online. After speaking to the scammers, she was set up with an account on a fake trading platform that appeared to show trades being placed and profits generated on her behalf. She has said she was able to make an early withdrawal from the scheme and that this money was then re-invested.

Mrs L used her Santander account to make the following card payments to three different cryptocurrency exchanges, after which the currency purchased was transferred to the scammers:

No.	Date	Amount £
1	14 Aug 2023	600
2	19 Oct 2023	2,500
3	20 Oct 2023	5,000
4	5 Mar 2024	2,500
5	19 Mar 2024	4,000
6	28 Mar 2024	4,000

Mrs L says she realised this was a scam when she wasn't able to withdraw her money.

Mrs L also made payments that were lost to the scam from accounts with two other banks. I've considered her complaints about the actions of those banks in separate decisions.

Our investigator didn't recommend the complaint be upheld. In short, he essentially felt Santander had asked appropriate questions about the payments and provided relevant scam warnings.

Mrs L didn't accept the investigator's assessment. To summarise, her representative made the following key points across the three complaints:

- The pattern of payments required a human intervention from the banks. This should have seen them asking open and probing questions about the payments, supported by warnings that were specifically tailored to Mrs L's circumstances.
- The bank that did speak to Mrs L about the payments she was making focused on the cryptocurrency exchange rather than the underlying fake investment platform. She should have been asked to identify the platform by name and then asked questions about it.
- In context, Mrs L's answers to the questions she was asked about the payments were truthful and she didn't try to mislead anybody.

- The warnings that were provided were scripted and not sufficiently tailored to Mrs L's circumstances or otherwise effective. She'd have taken notice of an appropriate and effective intervention at an early stage and her losses would have been prevented.
- It's also unsafe to infer that appropriate warnings later in the sequence of events wouldn't have uncovered the scam.
- The fact that her husband had done most of the research into the investment scheme isn't relevant. Mrs L would have made the decision not to go ahead if the banks had taken appropriate steps to uncover the scam.
- In other cases, we've concluded the bank should share liability with the consumer where an appropriate intervention is either late or absent.

The complaint has now been referred to me for review.

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, I've reached the same overall conclusions as the investigator. Mrs L's representative has made extensive submissions in support of her complaint. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

There's no dispute that Mrs L authorised these payments. In broad terms, the starting position at law is that a bank is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, '*authorised*' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Santander also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Santander acted fairly and reasonably in its dealings with Mrs L.

The payments

I must take into account that many similar payment instructions Santander receives will be entirely legitimate. I also need to consider its responsibility to make payments promptly. But

at the same time, it knew these payments were going to cryptocurrency and that this meant they carried a higher risk of being associated with fraud.

Having considered what Santander knew about payments 1 and 2 at the time, I'm not persuaded it ought to have been particularly concerned. The amounts involved were relatively low and they were separated by more than a month, meaning a pattern of multiple, rapid and increasing payments consistent with many known scams hadn't begun to emerge. In the circumstances, I don't think there were sufficient grounds for Santander to think Mrs L was at risk of harm from fraud when she made the payments and I can't reasonably say it was at fault for processing them in line with her instructions.

Payment 3, however, was for a larger amount and was the second payment to cryptocurrency in the space of two days. This is the point at which I consider Santander should have identified Mrs L may be at risk of harm from fraud and taken steps to intervene in the payment process. Having thought carefully about the risks payment 3 presented, I think a proportionate response would have been a human intervention whereby Mrs L was required to speak to one of the bank's agents, most likely on the phone, to discuss the circumstances surrounding the payment and provide relevant tailored warnings.

It appears Santander did identify this risk and it's provide a recording of a call with Mrs L from 20 October 2023, the same day as payment 3 was made.

During the call, Mrs L clearly disclosed that she was buying cryptocurrency for investment purposes. The bank's agent didn't ask whether she was using a separate investment platform or its name, but it doesn't appear there were any regulatory notices or other clear warnings at the time that the company wasn't legitimate so it's doesn't follow that this information would have helped the bank identify she was paying to a scam. This notwithstanding, the bank's agent did provide a warning that was specifically tailored to investment scams and set out common features of this type of scam. Amongst other things, these included that scammers:

- often promote cryptocurrency investment schemes promising very high returns or very low risks;
- sometimes help victims set up accounts on their platforms and with cryptocurrency exchanges; and
- show victims fake returns to encourage further investment.

The bank's agent also made Mrs L aware of the importance of making sure she retained control of her cryptocurrency, and that she should carry out her own research, including checking the Financial Conduct Authority (FCA) website to ensure any company she was dealing with was properly authorised.

Mrs L's representative contends that these warnings were scripted, which I agree appears to have been the case. But that doesn't necessarily mean they weren't adequate or appropriate and following a script in this way ensured warnings were given in full and consistently to all customers. Depending on how a scam intervention unfolds, I agree it's not always appropriate to rigidly follow a script. But in the absence of anything that would have allowed the bank to identify the company she was dealing with was running a scam, I'm satisfied the warnings provided were broadly appropriate. They set out key features of investment scams that Mrs L could have recognised in her own situation and I believe this should have resonated with her.

Santander also spoke with Mrs L about subsequent attempted payments and, in March 2024, she was again warned about investment scams in more than one call. In addition to the above, she was told during these calls that scammers advertise fake investments online and through social media, and that they sometimes pay out returns in the early stages to encourage more investment. She was also warned that the bank wouldn't be able to recover her money if it was going to a scam. Again, many of the scam features highlighted by the bank were present in Mrs L's situation and this should have resonated.

In the circumstances, I believe Santander initially intervened around the appropriate time. It then asked sufficient questions to identify that Mrs L could be falling victim to an investment scam before taking reasonable steps to highlight common features of this type of scam that she should have recognised in her own situation. Santander also provided further similar warnings later on in the sequence of payments and I'm satisfied its overall response was broadly proportionate to the apparent risks.

I want to be clear that it's not my intention to suggest Mrs L is to blame for what happened in any way. She fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why she acted in the way she did. But my role is to consider the actions of Santander and, having done so, I'm not persuaded these were the cause of her losses.

Recovery of funds

Mrs L isn't due any refund under the industry's reimbursement scheme for authorised push payment (APP) fraud as these payments were made by card rather than bank transfer. She sent money to legitimate cryptocurrency accounts in her own name and Santander could only try to recover money from these accounts. By the time Mrs L told the bank about the scam, some months after the last payment, it appears her money had already been moved on. If not, anything that was left would still have been available to her to access.

I've also considered whether Santander should have tried to recover these card payments through the chargeback scheme. But I'd only have expected the bank to have raised a chargeback claim if it was likely to be successful and it doesn't appear that would have been the case here. Mrs L paid legitimate cryptocurrency exchanges and would have received a service that involved changing her money into cryptocurrency before sending it to the wallet address she supplied it with. Her disagreement is with the scammers, not the cryptocurrency exchanges and it wouldn't have been possible for Santander to process a chargeback claim against the scammers as she didn't pay them directly. In addition, it doesn't appear the bank would have been able to make a chargeback claim within the normal deadline of 120 days from the date of each of the disputed payments and the means by which the payments were authorised would normally negate a chargeback claim in any event.

In the circumstances, I don't think anything Santander could have done differently would likely have led to Mrs L's money being recovered successfully after this period of time.

In conclusion

I recognise Mrs L has been the victim of a cruel scam and I'm sorry she lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I think Santander acted fairly and reasonably in its dealings with her and I won't be telling it to make any refund.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 14 April 2026.

James Biles
Ombudsman