

## The complaint

Mrs K is unhappy Santander UK Plc won't reimburse her in full for the money she lost when she fell victim to a scam.

## What happened

In August 2024 Mrs K saw a post online about an investment opportunity which appeared to be endorsed by a celebrity, I'll call the company offering this investment 'M'. Mrs K contacted M and began to speak to someone who claimed to be a success manager at M. They claimed that M was an offshore trading platform which could give Mrs K significant returns on any investment. Mrs K says she checked M's website and reviews, and while she had some doubts, the people she was speaking with were able to convince her that M was legitimate, so she decided to go ahead with an investment. Unfortunately, and unknown to Mrs K, M was not legitimate, she was being scammed.

Mrs K opened an account with M, and was also encouraged to open accounts with various other entities, including W, a money remittance service. Mrs K made an initial small investment of £250, and when she saw this had grown on M's platform, she decided to invest more. In December 2024, Mrs M invested £10,000 into M from her Santander account, she was asked to make this payment to a third party, but says she could see it appear in her trading account at M. Mrs K then made another £10,000 payment in January 2025, this time she was told to pay an international account. At this stage Santander stopped the payment and spoke to Mrs K, and when she said what the payment related to, Santander told Mrs K that she was the victim of a scam. The December payment was then refunded to her by Santander (minus a £100 excess) and the majority of the January payment was recovered and also returned to Mrs K.

But Mrs K continued to correspond with her contacts at M, and they managed to convince her that M was a legitimate opportunity, despite what Santander had told her. So, later on in January 2025 Mrs K began to make more payments to M, but this time she made those payments first to W, from where the funds were then moved on to an overseas account.

Over the next month Mrs K made five payments to M, via W. Santander intervened in one of these payments, on 24 January 2025, but did not identify that it was related to a scam. Santander then intervened again when Mrs K tried to make a sixth payment, on 12 February 2025, during this call Santander was able to identify that Mrs K was being scammed, and so it did not allow this payment to go through. But when Mrs K subsequently raised a scam claim regarding these payments, Santander declined to refund her loss. It said that the payments had been made to an account in Mrs K's own name at W, and so were not covered by the relevant Reimbursement Rules,

Mrs K was unhappy with Santander's response and so, via her representative, referred her complaint to our service. One of our Investigators looked into what had happened, and ultimately, they felt that Santander could have done more to intervene in the payments Mrs K was making. However, the Investigator also felt that it was unlikely that any further intervention from Santander would have prevented Mrs K's loss. So, they did not consider that Santander needed to refund any money to Mrs K.

Mrs K and her representatives were unhappy with the Investigator's findings. In summary, they argue that:

- The payments to W should be considered under the relevant Reimbursement Rules, and so should be refunded to Mrs K.
- Mrs K was particularly vulnerable to this scam, and her vulnerability should be taken into account when considering a fair outcome here.
- Santander's interventions did not go far enough and if it had intervened appropriately it could have uncovered the scam.
- It is not fair to assume that earlier intervention by Santander would not have been effective based on what happened when it spoke to Mrs K later on in the scam.

As no agreement could be reached, this case has been passed to me for a 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 very aware that I've summarised this complaint and the responses briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed 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 haven't. 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 an alternative to the courts.

And, having thought very carefully about all that has happened here, I've reached the same conclusion as our Investigator, and for the same reasons.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (in this case, the 2017 regulations) and the terms and conditions of the customer's account.

It's not in dispute that Mrs K made the disputed payments to W. So, the payments were authorised and under the Payment Services Regulations, the starting position here is that Mrs K is responsible for those payments (and the subsequent loss). However, that's not the end of the story.

From 7 October 2024 onwards, Payment Services Providers in the UK, like Santander, have been bound by the Faster Payments Scheme (FPS) and the CHAPS Reimbursement Rules. Under these rules, most victims of Authorised Push Payment (APP) scams should be reimbursed – but not all types of payment are covered. Specifically, the Reimbursement Rules only apply to payments made to 'relevant' accounts, and do not cover payments to international accounts, or to accounts in a consumer's own control.

A 'relevant account' is an account that is:

- Held by a customer of a payment service provider ("PSP"), not the PSP itself; and
- Can send or receive faster payments (commonly known as "bank transfers"); and is
- Held in the UK.

In this case, we are aware that Mrs K held an account at W in her own name, which she had opened herself and had access to. However, W has confirmed to us that the payments in dispute here were not credited to Mrs K's W account, in this instance it acted purely as a remittance intermediary. The accounts Mrs K sent money to at W was therefore an account held by W in its own name. And W's account can't be a relevant account for the purpose of the Reimbursement Rules because it is held by a PSP. That PSP used Mrs K's money to make payments to an overseas account. It did not credit Mrs K's money to any account held by one of its customers. So, in the circumstances of Mrs K's case, I am satisfied that the Reimbursement Rules do not apply.

Because of this, Mrs K is not automatically entitled to a refund. But the regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams.

Taking the above into consideration, I need to decide whether Santander acted fairly and reasonably in its dealings with Mrs K, or whether it should have done more than it did.

But having thought carefully about all that happened here, I am satisfied that, while it is arguable Santander should have intervened earlier on in the payments to W, it is unlikely that would have either uncovered the scam or prevented Mrs K's loss.

I say this because Santander had first intervened in Mrs K's payments on 9 January 2025, at which point it identified that she was making payments relating to an investment with M and told her outright that she was being scammed. During this 9 January call Santander also discussed how scammers will tell their victims to lie to banks about what they are doing, and Mrs K acknowledged that she had previously been told to lie by the scammers. Yet Mrs K then still went on to make further payments to M, and was dishonest with Santander about what the payments were for.

I'm also aware that even after Santander again told Mrs K that she had been scammed, on 12 February 2025, she continued to make further payments to M from accounts she held at other banks, and was again not honest about what the payments were for.

So, it seems clear that Mrs K was told on more than one occasion that she was definitely being scammed, but nonetheless decided to continue. And that she was also willing to mislead Santander (and other banks) about what she was doing to ensure that she could make the payments she wanted to make.

With this in mind I don't think I can fairly say that any further intervention from Santander would have stopped Mrs K from making payments to the scam. She seems to have been very much under the spell of the scammer from quite an early stage, hence why she was willing to be dishonest about what she was doing and to ignore clear warnings that what she was doing was not legitimate.

So, I'm satisfied that Santander could not reasonably have prevented Mrs K's loss here. I note what Mrs K and her representatives have said about her vulnerability, and I don't doubt that this contributed to her falling victim to this scam. But this vulnerability would only entitle Mrs K to a full refund of her loss if we were considering these payments under the Reimbursement Rules, and as set out above, I am satisfied the Reimbursement Rules do not apply in this case.

Of course, any bank, including Santander, should still be on the lookout for potentially vulnerable customers, and ensure any vulnerabilities that are identified are taken into consideration. But in this case, I cannot see that Santander was aware of Mrs K's vulnerabilities until after the scam had already taken place. And from listening to her conversations with Santander, I don't consider that there would have been any clear indications that she was vulnerable that should have prompted Santander to question her further about her circumstances. So, I'm satisfied that Mrs K's vulnerabilities don't mean that she is entitled to a refund of her loss in this case.

I also don't think that Santander could have done anything to recover these funds once Mrs K reported the scam. Santander did contact W to attempt recovery, but the funds had already been transferred on to the overseas account, so there was no route via which Santander could have reasonably requested the funds to be returned to Mrs K's Santander account.

I don't doubt that Mrs K has been the victim of a cruel scam here, and I know that she has lost a large amount of money and this has had a significant personal impact on her. But I've not seen anything to make me think it would be reasonable to hold Santander liable for Mrs K's loss.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 7 May 2026.

Sophie Mitchell  
**Ombudsman**