

The complaint

Miss G complains that Santander UK Plc won't refund the money she lost when she was the victim of what she feels was a scam.

What happened

In August 2025, Miss G wanted some scaffolding erected at the front of her property and spoke to a tradesman who had recently erected scaffolding at the rear of her property. She agreed with the tradesman that they would move the scaffolding from the rear of her property to the front, as well as agreeing a price for this and a date for the erection of the new scaffolding to be completed.

Shortly after this was agreed, the tradesman told Miss G they had been let down by another customer, and asked if they could start her work sooner and if Miss G would pay the majority of the price upfront. Miss G agreed and made a payment of £500 from her Santander account to account details the tradesman gave her. But, shortly after the payment was made, the tradesman removed all the scaffolding from her property.

Miss G chased the tradesman to erect the scaffolding at the front of her property but they initially didn't respond, and then gave her a number of excuses why they couldn't complete the work. And as the tradesman never returned, Miss G felt she had been the victim of a scam and reported the payment she had made to Santander.

Santander investigated but said it felt this was a civil matter between Miss G and the tradesman, rather than a scam. So it didn't agree to refund the payment she had made. Miss G wasn't satisfied with Santander's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They thought this was likely a civil dispute between Miss G and the tradesman, and so Santander had acted reasonably in declining her claim. Miss G disagreed with our investigator, so the complaint has been passed to me.

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.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises it to make. However, where the customer made the payments as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payments.

In 2024, the Payment Systems Regulator required the Faster Payments Scheme operator to introduce rules to require firms to reimburse customers who had been the victims of scams in certain circumstances. These Reimbursement Rules came into force on 7 October 2024, however, they only apply where the customer has been the victim of an APP scam, which the rules define as:

“Where a person uses a fraudulent or dishonest act or course of conduct to manipulate, deceive or persuade a Consumer into transferring funds from the Consumer’s Relevant account to a Relevant account not controlled by the Consumer, where:

- The recipient is not who the Consumer intended to pay, or*
- The payment is not for the purpose the Consumer intended”*

The rules also specifically outline that private civil disputes are not covered. And a private civil dispute is defined in the rules as:

“a dispute between a Consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty.”

In its published policy statement PS23/3, the Payment Systems Regulator gave further guidance:

“Civil disputes do not meet our definition of an APP fraud as the customer has not been deceived [...] The law protects consumer rights when purchasing goods and services, including through the Consumer Rights Act.”

It also provided an example of a civil dispute:

“...such as where a customer has paid a legitimate supplier for goods or services but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier.”

Miss G has mentioned several other definitions of a scam when explaining why she feels the circumstances here were a scam. But the definition I must apply to determine whether Santander can be held responsible is the definition from the Reimbursement Rules, as set out above.

So in order to determine whether Miss G has been the victim of a scam as defined in the Reimbursement Rules, I need to consider whether the recipient of the payment was who she intended to pay or whether the payment was made for the purpose she intended and then, if it wasn't, whether this was the result of fraud or dishonesty on the part of the tradesman.

I've thought very carefully about this, and I think it's a finely balanced matter in this case. But where the evidence available is unclear or inconclusive, I must make my decision on what I think is more likely to have happened, based on the evidence I do have.

Miss G has said she intended to pay the limited company run by the tradesman, but was instead given the tradesman's personal account details. So she feels the recipient of the payment wasn't who she intended to pay. But I think it was clear when Miss G was given the account details that they were for a personal account, rather than a business account. And the recipient of her payment was the person she had been speaking to about the scaffolding and the person she intended to erect the scaffolding. So I don't think it would be fair to say she was deceived about who she was paying or that the recipient of the payment wasn't who she intended to pay.

And in relation to the purpose of the payment, I'm satisfied Miss G made the payment here for the purpose of paying for scaffolding to be erected at her property. But I'm not persuaded I can safely conclude that the purpose the tradesman intended for the payment was different to this, or that Miss G's and the tradesman's purposes for the payment weren't the same.

From what I've seen, Miss G had previously been successfully provided scaffolding by the tradesman, once several years ago and once shortly before this payment was made. But I wouldn't usually expect someone operating a scam to have previously legitimately provided a service so similar to the service they agreed to provide as part of the scam. And I think this suggests the tradesman was at least attempting to operate legitimately.

I've also seen evidence relating to the account the payment was made to, and while I can't share any details of this evidence, I think it shows the account appears to have been run at the time as I would expect a legitimate tradesperson's account to have been run and doesn't suggest it was being used to operate a scam.

Some of the other concerns Miss G has raised about the tradesman, including about their poor communication with her, seemingly poor relationships with other tradesmen and recording of business income, do suggest the tradesman wasn't acting as I might expect a professional tradesman to. But acting unprofessionally is not the same as intending to operate a scam. And I don't think any of these concerns go far enough to suggest the tradesman never intended to erect the scaffolding at her property.

I'm also aware the tradesman has been reported to Trading Standards. But I haven't seen anything to suggest any investigation has been completed or has resulted in any formal charges or proceedings against the tradesman. So I haven't been provided with evidence of any investigation by an external organisation which concludes that the tradesman was operating a scam, as defined in the Reimbursement Rules, in relation to the payment Miss G made here.

And while I appreciate that the tradesman removing the scaffolding and leaving her property so soon after receiving her payment could suggest they weren't acting legitimately, I must consider all the evidence we have here. And based on everything I've seen, I'm not persuaded the available evidence is sufficient to safely conclude that the purpose the tradesman intended for this payment was different than the purpose Miss G intended, or that the payment wasn't made for the purpose Miss G intended. I think it's likely both Miss G's and the tradesman's intended purpose for the payment was the same – to pay for the scaffolding to be erected – but that other factors ultimately meant this wasn't done.

And so I think Santander has acted reasonably in saying the circumstances here don't meet the definition of a scam from the Reimbursement Rules, and in not agreeing to refund the money Miss G lost from this payment.

I also don't think there are any other grounds on which it would be fair and reasonable to require Santander to refund the payment Miss G has complained about here.

I sympathise with the position Miss G has found herself in. I recognise she didn't receive the work she paid for and I understand my decision will come as a disappointment to her. I'm also in no way saying she did anything wrong or that she doesn't have a legitimate grievance against the tradesman. But I can only look at Santander's responsibilities here. And, for the reasons I've explained above, I don't think it would be fair to require Santander to refund the payment she has complained about.

Santander has accepted that it provided incorrect information to Miss G in its initial response letter about her claim. And I think the £30 it has paid by way of an apology for this is fair and reasonable compensation for the distress and inconvenience this incorrect information caused her. So I don't think it would be fair to require it to pay anything further.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 15 May 2026.

Alan Millward
Ombudsman