

## The complaint

Mr B is being represented by a claims manager. He's complaining about Santander UK Plc because it declined to refund money he lost as a result of fraud.

## What happened

Sadly, Mr B fell victim to a cruel investment scam after he responded to an advert he found online. The scammers helped him set up an account with a fake investment platform using screen-sharing software and he used his Santander account to make the following payments that he says were part of the scam:

No.	Date	Amount £	Method	Paid to
1	23 April 2025	1,995	Card	Own account with international money transfer service
2	7 May 2025	19,950	Transfer	As above
3	20 May 2025	15,000	Transfer	Own account with another bank
4	22 May 2025	4,000	Transfer	Own account with Electronic Money Institution (EMI)

Once the money was received in his other accounts, it was then transferred to the scammers using the account details they provided.

Of payment 3, only £10,000 was paid to the scam – the remaining £5,000 was transferred back to Santander the following day. Mr B's representative has also confirmed that he received a payment of £137 from the scammers on 22 May but I understand the rest was lost. Mr B says he realise this was a scam when he was asked to pay to release his funds.

Mr B has also complained about the bank to which payment 3 was sent and I've addressed that complaint in a separate decision.

Our investigator didn't recommend this complaint be upheld. He wasn't satisfied there was sufficient evidence to demonstrate all of the above payments were lost to the scam. He also noted that Mr B didn't provide accurate information when he was asked about the purpose of one of the payments and felt that further intervention by Santander wouldn't have changed the outcome.

Mr B didn't accept the investigator's assessment and his representative made the following key points:

- The evidence provided adequately demonstrates these payments were lost to the scam.
- The fact Mr B was transferring money to accounts in his own name didn't mean that he couldn't be falling victim to a scam.
- The bank should have identified payment 2 as high-risk, especially as the FCA had issued a notice in 2011 stating the transfer service had been cloned, and contacted

Mr B in person to discuss the circumstances in which it was being made. A human intervention would have been appropriate at this stage and he could also have been called into the branch and the police contacted in line with the Banking Protocol.

- Although Santander did speak to Mr B in connection with payment 4, this intervention wasn't adequate as the bank should have asked more open and probing questions. In any event the answers he gave weren't consistent with his recent account activity and wouldn't have stood up to appropriate scrutiny. Further, if he'd been questioned at the time of payment 2, Mr B would have been more receptive to the bank's intervention and more inclined to be open about what the payment was really for as the scammers had less of a hold and he hadn't invested very much at this point (*'the sunk-cost fallacy'*). This means it's likely the scam would have been uncovered.
- The written warning provided by the EMI when Mr B sent the money transferred in payment 4 on to the scam shouldn't be seen as evidence that a robust human intervention by Santander wouldn't have been effective in stopping the scam.
- Santander failed to meet its obligations under the Financial Conduct Authority's (FCA's) Consumer Duty to avoid causing foreseeable harm to Mr B.

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. Mr B's representative has made extensive submissions in support of his complaint but I haven't necessarily commented on every single point raised. I've 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.

It's widely accepted that the investment platform at the centre of this complaint was a scam. And I believe the evidence that's been provided, particularly the extracts from his conversations with the scammers and the dated invoice from the company, show Mr B was engaged with the platform and that he lost money in this way. With this in mind, my consideration of this complaint is based on the assumption that all of the amounts outlined above were lost to the scam.

There's no dispute that Mr B 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 Mr B.

### *The payments*

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

Having considered what Santander knew about payment 1, I'm not persuaded it ought to have been concerned. The payment was for a relatively low amount and was going an account in Mr B's own name with a UK regulated and authorised firm. Further, there was nothing about the payment that I believe should have made it apparent to the bank that the money was being sent for investment purposes. In the circumstances, I don't think there were sufficient grounds for Santander to think he was at risk of harm from fraud when he made the payment and I can't say it was at fault for processing it in line with his instructions. Mr B's representative doesn't appear to dispute this assessment.

Payment 2, however, was for a much larger amount and this is the point at which I think Santander should have identified he may be at risk of harm from fraud and intervened in the payment process. Having thought carefully about the risks the payment was presented, I don't agree that the bank should have gone as far as invoking the Banking Protocol but I do think it should have attempted to find out more about the circumstances in which the payment was being made, most likely by speaking to him on the telephone.

Santander didn't intervene at all at this point, but it doesn't necessarily follow that the bank should refund Mr B's losses. To reach that conclusion I'd also need to be satisfied that the type of intervention I've described would have stopped him from wanting to go ahead with the payment.

Mr B acknowledges that he was coached by the scammers to hide what he was doing as he was told banks are hesitant about payments to cryptocurrency. The lack of evidence relating to his communications with the scammers means I can't know exactly what he was being told to say at the time. But we do know that Santander did speak to him about payment 4 and that he followed the scammer's advice not to tell the bank what was really going on.

The recording of this call reveals that Mr B told the bank that he was moving money to his EMI account as he was going abroad shortly and that a friend had told him it would be easier to use that account for this purpose. He was also asked specifically whether anyone had asked him to lie to the bank about the reason for the payment and he said no. In my view, this explanation was plausible and I'm satisfied it was reasonable for Santander to accept this explanation and process the payment. As there was no indication the payment was for investment purposes, I wouldn't have expected the bank to provide any warning about investment scams.

If Mr B had been asked about payment 2, I understand his representative's argument that an explanation relating to upcoming travel might not have seemed so plausible. But I think the call recording provided shows a clear intent not to tell the bank what he was really doing. Mr B's representative has suggested that an earlier intervention would have been more successful as the scammers' hold on him wasn't as strong as it became but I don't think I

can safely conclude that would likely have been the case without knowing what he was discussing with the scammers at the time. I also note his representative has said that some of the money he invested was borrowed and that he told the lenders the money was for home improvements. At least one of the loans was taken prior to payment 2 and this doesn't support any suggestion that Mr B would have been clear about the reason for payment 2 if he'd been asked.

Even if Santander had been able to establish payment 2 was for being investment purposes so that it could provide appropriate tailored warnings, it's not clear this would have prevented Mr B from wanting to go ahead. In saying this, I'm conscious the EMI did provide a series of written warnings about investment scams when he transferred the money in payment 4 on from that account.

Leaving aside the apparent contradiction between the recent comments from Mr B's representative that the EMI's intervention wasn't adequate and its earlier comments that no complaint was made to the EMI because it wouldn't have recognised the payment as suspicious, these warnings identified a number of features that Mr B should have recognised in his own situation. In particular, he was warned that investment scammers promise high returns over short periods of time, may have professional-looking online platforms, often promote fake investments on social media, and may ask victims to install screen-sharing software. The fact these warnings didn't stop Mr B from sending money to the scammers doesn't support the view that an appropriate intervention from Santander would have been any more successful in opening his eyes to the scam.

I note Mr B's representative has referred to a notice issued by the Swiss regulator that was recorded on the website of the International Organisation of Securities Commissions (IOSCO). This notice confirms the fake investment company he was dealing with wasn't authorised in that country. But this notice was dated 13 May 2025, meaning this information wouldn't have been known at the point if payment 2 anyway.

The success of any fraud and scam intervention by a bank depends to some extent on the customer providing accurate information about the payments being made. I understand Mr B was acting under the influence of the scammers, but I think it's clear that his apparent unwillingness to tell the bank what he was really doing only served to hinder its efforts to protect his money.

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

I've also noted the comments of Mr B's representative about the Financial Conduct Authority's Consumer Duty and I've taken account of Santander's obligations following its introduction, but I'm not persuaded this changes the outcome here. While the bank was expected to avoid causing him foreseeable harm, I'm satisfied its actions weren't the cause of the harm he suffered, nor do I think that harm was reasonably foreseeable given the information he appears to have been prepared to disclose at the time.

### *Recovery of funds*

Mr B isn't due any refund under the industry's reimbursement scheme for authorised push payment (APP) fraud as this doesn't cover card payments and the transfers went to another account in his own name.

In terms of recovering Mr B's money, Santander could only try to do this from the accounts the money was paid to and it appears it had already been moved on to the scammers by the time the bank was told about the fraud. And as the accounts were in his own name, any money that hadn't been paid to the scammers would still have been available for him to access.

In the circumstances, I don't think anything Santander could have done differently would likely have led to those payments being recovered successfully.

*In conclusion*

I recognise Mr B has been the victim of a cruel scam and I'm sorry he lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I don't think any further intervention by Santander would have made a difference to the eventual outcome 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 Mr B to accept or reject my decision before 15 May 2026.

James Biles  
**Ombudsman**