

The complaint

Mrs K complains that Santander UK Plc won't provide a refund when she fell victim to a flight scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

On 8 August 2025, Mrs K was looking to book some flights and she contacted Person R (the scammer) as she believed he was a travel agent who worked for a company she'd used before (Company S).

She agreed a price of £1,388.24 for her flights and she tried to make a payment to Company H using her Santander debit card on her banking app. The payment didn't go through and when she saw and then told Person R about a *'fraud alert on Company H'* he gave assurance that this was quite normal and suggested she call Santander. Wanting this to go through Mrs K called Santander and an agent:

- Explained it was *'denied due to suspected fraud'*.
- Said they would *'mark this one as genuine since you did confirm you did this transfer'*.

After the payment went through Mrs K thought it might be a scam but as the payment was pending, she couldn't stop it.

Mrs K couldn't understand how Santander allowed her to authorise the payment *'without challenging me, asking safeguarding questions, or providing any effective intervention'* when they *'had already identified fraud risk associated with the recipient'*. She complained to them, seeking a refund, as *'no meaningful attempt was made to test whether I was being manipulated or to counter the scam narrative'*.

Santander rejected Mrs K's complaint saying she was liable as she authorised the payment.

Mrs K was dissatisfied with Santander's response as they didn't investigate or consider the circumstances. So, she brought her complaint to our service.

However, our investigator couldn't see that Santander had made an error. Regarding the fraud concerns he said:

- *'He understood that this was flagged up because there were concerns about whether Mrs K's card had been compromised.'*
- *'It was made clear in the call that Mrs K was making this payment herself, so those concerns were alleviated and there was no requirement for Santander to ask any further questions relating to the payment itself.'*
- *'The payment itself was blocked solely over concerns whether Mrs K had made transaction herself, once it was confirmed she had then any concerns that Santander had were automatically alleviated.'*

Mrs K remained dissatisfied and asked for an Ombudsman to review her complaint and make a final decision.

I issued a provisional decision on 13 May 2026, and this is what I said:

I've considered the relevant information about this complaint.

I'm My provisional decision is different to the outcome reached by our investigator. As partially upholding this complaint, I'd like to give both parties an opportunity to respond.

The deadline for both parties to provide any further comments or evidence for me to consider is 27 May 2026. Unless the information changes my mind, my final decision is likely to be along the following lines.

If Santander UK Plc accepts my provisional decision, it should let me know. If Mrs K also accepts, I may arrange for the complaint to be closed as resolved at this stage without a final decision.

What I've provisionally 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'm partially upholding this complaint and I'll explain why.

I should first say that:

- I'm persuaded by Mrs K's submissions that a scam has occurred here. And I'm very sorry that she's lost an amount of money that is significant to her and suffered distress and inconvenience.*
- In making my findings, I must consider the evidence that is available to me and use it to decide what I consider is more likely than not to have happened, on balance of probabilities.*
- I'm satisfied that the APP Scam Reimbursement Rules, introduced by the Payment Systems Regulator on 7 October 2024, for customers who have fallen victim to an APP scam, don't apply here. This is because the payment Mrs K authorised was by card.*
- Regarding efforts to recover Mrs K's loss, as the payment was by card this would be a card dispute. But in this case, as I'm satisfied a scam took place and a chargeback wouldn't have been successful, I don't think Santander made an error in not raising a chargeback.*
- The Payment Services Regulations 2017 (PSR) and Consumer Duty are relevant here.*

PSR

Under the PSR and in accordance with general banking terms and conditions, banks should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment.

There's no dispute that Mrs K made the payments here, so they are considered authorised. However, in accordance with the law, regulations and good industry practice, a bank should be on the look-out for and protect its customers against

the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

Banks do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions. So, I consider Santander should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.*
- Have systems in place to look for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.*
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.*

Consumer Duty

Also, from July 2023 Santander had to comply with the Financial Conduct Authority's Consumer Duty which required financial services firms to act to deliver good outcomes for their customers. Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, Santander was required to act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud.

As Santander's fraud prevention system, a) stopped Mrs K's first attempt to pay the scammer and b) prompted them to call her (this was unsuccessful), I considered and questioned the information they had (a code) that caused these actions.

On the call Mrs K had with Santander, the agent first struggled to find the transaction and then explained it was declined 'due to suspected fraud'. Due to this comment and the file note warning code being a generic fraud warning, I asked Santander for clarification that their code only related to 'suspected compromised card', Santander confirmed that:

- The code is 'generally a suspicion of fraud rather than specific to a 'suspected compromised card'.*

I found this to be different to the following information previously given to our investigator:

- 'The agent had no requirement to raise any scam concerns as the flag was due to suspected compromised card, rather than scam concerns'.*

With information that there was a general suspicion of fraud, even though the agent knew Mrs K wanted to make the payment, I would've expected a Santander agent to have:

- A. Asked Mrs K probing questions about the flight payment (Mrs K said it was for a flight at the start of the call) such as the name of the company, how she had contacted them and how she knew they were legitimate.*
- B. Given her education on potential scams and provide warnings to protect Mrs K from financial harm.*

C. Looked to detect potential fraud or a scam.

Having listened to the call I found that it was ineffective. This is because the agent didn't do any of the above actions (A to C). The only risk she mitigated was to confirm that it was Mrs K making the payments. This would've been sufficient if the identified risk was 'suspected compromised card' but that wasn't the case as the risk was a 'suspicion of fraud'.

I then considered what would've happened if the call was better and the above probing questions, education, warnings and detection occurred (Points A to C).

There was no coaching by the scammer to circumvent bank fraud prevention measures, so I think Mrs K would've been honest. When considering Mrs K's testimony, I think it more likely than not that:

- She would've explained that another bank had blocked a payment for her mother, that she'd used Company S before and had obtained their number from the internet.*
- The above, Santander's code and Mrs K paying Company H rather than Company S would've immediately caused the agent to be suspicious and caused her to question the connection between the companies. This would've led to either the agent and / or Mrs K checking and seeing that they weren't connected. Also, importantly, they would've seen a number of scam warnings and posts from customers who had been scammed when booking flights with both travel agents.*
- Mrs K wouldn't have then gone ahead with the payment and the scam would've unravelled.*

Having established that the intervention wasn't effective and if it had been it would've more likely than not uncovered the scam and prevented the payment, I then looked at whether there was more Mrs K could've done more to protect herself.

There is a concept of contributory negligence which centres around whether or not a consumer should have done something to mitigate their loss or should share some responsibility for it. In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint.

Although I recognise that there are some sophisticated elements to this scam and Mrs K was short on time, I think there were some warnings signs that should've caused Mrs K to have checked the agent was an employee of Company S. These were two declined payments (this includes her mother's attempt), a Santander alert message, the mention of suspected fraud and she was paying a different company to the one she contacted.

So, having considered contributory negligence, I think both parties made errors here, Santander in not intervening effectively and Mrs K in not recognising some red flags. I therefore consider it to be both fair and reasonable for liability to be split and for Santander to pay 50% of Mrs K's loss.

that Finally, regarding a compensation payment for distress and inconvenience, given Santander ought to have prevented some of the loss from occurring. As the distress and inconvenience here was caused by the cruel scammer rather than Santander, I don't think it would be fair and reasonable to require them to make such a payment.

My provisional decision

For the reasons mentioned above, my provisional decision is to partially uphold this complaint, and I require Santander UK Plc to:

- *Provide Mrs K with a refund of 50% of her loss, which is £694.12.*
- *Pay simple interest on £694.12 using time-weighted average Bank of England base rate plus one percentage point on the refund from the date of loss until the date of settlement.*

This is subject to any comments that either Mrs K or Santander UK Plc may wish to make. These must be received by 27 May 2026

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.

Further to my above provisional decision, both parties responded before the deadline to say that they agreed with it.

I therefore adopt my provisional decision and reasons as my final decision.

Putting things right

For the reasons detailed in my provisional decision I'm partially upholding this complaint, and to put things right I require Santander UK Plc to:

- Provide Mrs K with a refund of 50% of her loss, which is £694.12.
- Pay simple interest on £694.12 using time-weighted average Bank of England base rate plus one percentage point on the refund from the date of loss until the date of settlement.

My final decision

My final decision is to partially uphold this complaint against Santander UK Plc and my requirements are detailed in the above 'Putting things right' section of this decision paper.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 16 June 2026.

Paul Douglas
Ombudsman