

## **complaint**

Ms O's complaint is that Santander UK Plc ("Santander") didn't do enough to prevent a fraud being carried out on her account, and that thereafter it gave her very poor service.

## **background**

On 10 September 2016, Ms O was a victim of a scam. She was contacted by someone pretending to be her broadband provider, and advised that her internet had been hacked and they needed access to her computer. They claimed they'd credited her account with funds which needed to be sent back. As she believed they were helping her to avoid a fraud, she unwittingly assisted them with access to her computer, and her account.

As a result, transactions of £10,030 left her account.

Later the same day, Ms O suspected she might have been scammed, so called Santander to alert it. It immediately contacted the receiving banks, and issued indemnities to try to recover Ms O's money. However, unfortunately only the very small sums of £13.97 and £13 were left and returned to her.

Ms O complained to Santander, as she didn't think its systems were robust enough to have prevented the scam. She also thought that the unusually large transactions from her account should have triggered an alert, so they could have been stopped. She wanted Santander to refund her money.

Ms O was also very unhappy with Santander's customer service. She felt she'd been treated very poorly; that there'd been a delay in opening its investigation; that it didn't reply to her letters; that it lifted an account block without seeking her permission first; and that it allowed a credit card payment to be taken, putting her into an unauthorised overdraft. She felt that matters, which were already very stressful and upsetting, had been unnecessarily prolonged by Santander, and that this had made her ordeal even worse.

Santander responded saying it couldn't uphold Ms O's request for a refund. This was because it couldn't have avoided the scam, and Ms O had herself authorised the transfers from her account, using the One Time Passcodes ("OTP") it had sent to her.

It said it had contacted the receiving banks within thirty minutes of being alerted to the scam by Ms O, but that because the faster payments had sent the money immediately, and due to the nature of the scam, by this time the money had already been withdrawn from the receiving accounts.

It explained why it had lifted the account block, and why the direct debit payments continued to be taken.

However, it accepted that its service had been poor at times, and acknowledged that this would have made Ms O feel even worse. So it made her a payment of compensation totalling £355, and a refund of charges of £30.

Ms O didn't think this compensation was nearly enough for what she'd gone through. And she maintained that Santander should take responsibility for the money she'd lost because of a failure, or inadequacy, in its security systems. So she brought her complaint to our service.

Our adjudicator looked at all of the evidence, and acknowledged that Ms O had been the victim of a cruel and sophisticated scam. However, he didn't think Santander was to blame and should take responsibility. He noted the steps Santander had taken once it knew what had happened, and the compensation it had paid to Ms O, and thought this was enough to resolve her complaint.

Ms O disagreed. She maintained that Santander shouldn't have allowed its online banking screen to be open to alteration by fraudsters, and that banks shouldn't use screens that could be copied so effectively. She also argued that large sums of money, like those which came from her account, shouldn't be capable of being released immediately (i.e. by faster payment) without additional levels of security. Especially where the pattern of withdrawals was unusual for the account.

She felt strongly that Santander's actions, and the compensation it had paid, hadn't at all reflected the amount of money she'd lost. She felt she'd been treated disrespectfully.

Finally, she remained of the view that in cases of fraud banks should disclose details of recipient bank's account holders, notwithstanding data protection, and that not doing so merely enabled their criminal activity.

She asked for an ombudsman's review.

### **my findings**

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 can entirely understand Ms O's strength of feeling. She's lost a lot of money, in a very cruel manner, and Santander's treatment of her (albeit, it probably didn't realise this at the time) has made her feel even worse.

Ms O wants her money back, of course, and as she doesn't know the identity of the person/s who stole it, she wants to hold Santander responsible. This is on the basis that she trusted it with her money, and thinks its systems clearly weren't secure enough to avoid a fraudster gaining access to her account.

While I can see Ms O's logic here, I'm afraid I don't agree. Santander's not responsible for the money being taken from her account. The fraudster is. Santander had a responsibility to keep Ms O's money safe, until she herself required access to it. And I think it did this. It only allowed the money to be taken from her account when she herself specifically authorised the payments. She did this by using the OTPs Santander sent to her registered mobile number. This was a secure and agreed method of communication, and once she entered these codes Santander was able to satisfy itself that the payments were genuine, and she'd authorised them. I think this is reasonable, and I can't say Santander did anything wrong in allowing the payments to be made.

Ms O's concern about fraudsters being able to recreate bank's online banking screens makes some sense, but we're not a regulator and can't tell banks what to do here. In an ideal world, banks would always be one step ahead of fraudsters, and they generally are. But it's an ongoing war, in which not every battle's won. In Ms O's case, because she herself didn't realise she'd given remote access to her computer, the crime was able to be

commissioned. And Santander couldn't have known what was happening, and had no opportunity to prevent it.

Ultimately, as the transactions were authorised by Ms O using the OTPs, I can't ask Santander to reimburse her for the money she's lost.

On the matter of Santander's poor service, and compensation, obviously the £385 Ms O's received pales into insignificance against what she's lost. And she doesn't think Santander's appreciated the level of her loss. But the compensation's not for her financial loss. Although Santander's sorry about this, it's not responsible for it. The money it's offered is for its part in failing to provide the level of service Ms O was entitled to expect, and which it itself would have expected to provide. And I think it's important to distinguish these two things.

I can see why Ms O doesn't feel that this money reflects what she's gone through, and I'm sure it doesn't. But I can only hold Santander responsible for a small part of her overall experience. And to this end I think the £385 is fair.

I'm genuinely sorry that Ms O lost so much money, in such dreadful circumstances. And I hope that eventually Action Fraud and the police might be able to assist her further. But I think Santander's already done enough to resolve this complaint, so I won't be asking it to do any more.

### **my final decision**

My final decision is that I won't be asking Santander Bank PLC to take any further steps to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 19 October 2017.

Ashley L B More  
**ombudsman**