

The complaint

Mr D complains Santander UK Plc didn't do enough to protect when he fell victim to a job scam.

What happened

Mr D has an account with Santander and an e-money institution who I'll refer to as "R" throughout the rest of this decision. He had both accounts before the scam.

Mr D says he was contacted on social media in January 2023 about an opportunity to earn commission – he says he was told he could make £50 to £100 a day – that involved completing tasks. He says checked the company involved and it seemed to be genuine, so he expressed interest. He says he was shown how to complete the tasks – which involved buying cryptocurrency and loaded it into a wallet – and that he was added to a group of people who were doing the same job who all spoke about having positive experiences.

Mr D says he was able to withdraw his money and earnings to begin with and that the amounts he needed to pay in order to complete tasks started off small. But he says the amounts of money he needed to pay in order to complete tasks then got larger and larger. And on the fourth day – when he was told he'd have to pay £7,000 in order to complete his final task of that day – he realised that he'd been scammed.

Mr D contacted Santander to say that he'd been scammed and to complain that it hadn't done enough to protect him. He did so with the help of a representative. Mr D's representatives complained about online transfers and card payments Mr D had made to three different cryptocurrency providers between 7 and 10 January 2023. They said that Santander should have been concerned when Mr D made the seventh payment he made as by then a fraudulent pattern was emerging. And when Mr D made the tenth payment he made as the value of the payments he was making by then had increased significantly.

Santander looked into Mr D's claim and complaint and said that the online transfers – approximately £3,500's worth – had gone to an account in his own name and so weren't covered by the Contingent Reimbursement Model and it had declined his card payments – approximately £7,000's worth – but he'd called and confirmed that they were genuine and that he wanted to proceed with them. Santander said that it wasn't, in the circumstances, liable and that Mr R should contact R as that's where he'd sent his online transfers.

One of our investigators looked into Mr D's complaint and said that they didn't think multiple online transfers on the same day to Mr D's account with R should have been considered unusual by Santander as that type of activity was normal for Mr D. In addition, our investigator didn't think that the card payments Mr D had made were unusual either – they'd all gone to legitimate merchants and the payments were in line with his usual activity. Nor did our investigator think Santander had missed opportunities to recover Mr D's money as a chargeback for the card payments wouldn't have had a reasonable prospect of success and wasn't available for the faster payments.

Mr D's representatives disagreed with our investigator's recommendations saying that the

pattern of payments Mr D was making should have been a cause for concern. So, they asked for Mr D's complaint to be referred to an ombudsman for a decision. His complaint was, as a result, 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.

Last month I issued a provisional decision. In that decision I said:

“Mr D's representatives complained to Santander saying that it hadn't done enough to protect him when he fell victim to a job scam. They complained about online transfers and card payments. Our investigator said that the online transfers wouldn't have appeared unusual to Santander as Mr D had in the past sent payments of up to £25,000 to the same account the online transfers went to that Mr D's representatives are complaining about. Mr D's representatives are complaining about four transfers over two days totalling £3,500. I can, therefore, understand why our investigator said these much smaller payments to an established payee – what's more, an account in Mr D's own name – wouldn't have been a cause for concern. Our investigator sent Mr D's representatives a copy of Mr D's statements showing that he had, for example, made two £25,000 payments to the same account three months earlier – as they said Mr D couldn't remember making such a large payment. Those statements also show Mr D making payments of between £1,000 and £4,000 to that account previously. I agree with our investigator, given everything I've just said, that four transfers over two days totalling £3,500 to an account in Mr D's name to which he'd been sending payments for months isn't the kind of activity we'd expect a bank like Santander to have concerns about. I am, however, satisfied that Mr D made – or should I say – attempted to make a number of card payments before and after these online transfers. And it's those that I want to consider next.

I can see that Mr D attempted to make eight card payments to [name removed] between 7 and 9 January 2023 – totalling just over £1,000 – which his representatives said Santander ought to refund. I can also see, however, that all of those payments were refunded at the time, almost certainly because by then Santander was blocking payments to [name removed] by then – and had been doing so since July 2021. It goes without saying that Mr D's representatives shouldn't be asking for payments to be refunded which Mr D's statements very clear show were paid straight back into the account. I do, however, think that those payments – or, more accurately, the fact that so many were declined – are still relevant. I'll explain why.

I can see that Mr D made three card payments on 11 January 2023 to two different cryptocurrency providers – of £1,500, £1,500 and £3,000 – namely to [name removed] and [name removed]. These happened after the four online transfers – which were on 9 and 10 January 2023. Santander has told us that it blocked the last of these payments as it wanted to check it was genuine and that it released it having spoken to Mr D after he confirmed it was. In this case, given all of the declined payments on 7, 8 and 9 January 2023, and the number of online transfers the day before and the two card payments that had already gone to [name removed] that day totalling £3,000, I would have expected Santander to ask Mr D more probing questions about the £3,000 card payment it had blocked as it should have had concerns. I'm satisfied that Santander would have uncovered the fact that Mr D had been scammed had it done so.”

In my provisional decision I said:

“At the moment ... based on all of the evidence I’ve seen, I’m minded to say Santander missed an opportunity to prevent Mr D from making further losses. So, I’m minded to require Santander to refund the £3,000 card payment Mr D made on 11 January 2023 together with 8% simple interest from the date of payment to the date of settlement in full and final settlement of this complaint.”

Both parties were invited to reply to my provisional decision. Mr D’s representatives accepted it and Santander had nothing to add.

Putting things right

Having considered everything again, I remain of the view that Santander ought to refund the £3,000 card payment Mr D made on 11 January 2023 together with 8% simple interest from the date of payment to the date of settlement in full and final settlement of this complaint.

My final decision

My final decision is that I require Santander UK Plc to refund the £3,000 card payment Mr D made on 11 January 2023 together with 8% simple interest from the date of payment to the date of settlement in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr D to accept or reject my decision before 2 August 2024.

Nicolas Atkinson
Ombudsman