

The complaint

Mr N has complained that Santander UK Plc won't refund the money he lost after falling victim to a scam.

What happened

In autumn 2023, Mr N was offered an online job doing tasks. However, this was actually a scam. The scammers persuaded Mr N to pay his own money to them to unlock higher-value tasks and get more commission. Over the course of over a month, he paid around £4,900 to the scammers from his Santander account. Mr N did this mostly by making card payments to crypto accounts in his own name, then sending the crypto onto the scammers; and he also made a couple of bank transfers to an international money transfer account in his own name and then sent that onto the scammers. When Mr N tried to withdraw his money, he was unable to and was given excuses. He realised he'd been scammed.

Santander tried to recover the funds but no funds remained. Santander didn't think they were liable for Mr N's loss.

Our Investigator looked into things independently and didn't uphold the complaint. Mr N's representatives appealed, so the complaint's been passed to me to decide.

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.

I understand that Mr N fell victim to a scam, and so he has my sympathy. I appreciate this can't have been an easy time for him, and I appreciate why he feels that his money should be returned. It's worth keeping in mind that it's the scammers who are primarily responsible for what happened, and who really owe Mr N his money back. But I can only look at what Santander are responsible for. Having carefully considered everything that both sides have said and provided, I can't fairly hold Santander liable for Mr N's loss. I'll explain why.

It's not in dispute that Mr N authorised the payments involved. So although he didn't intend for the money to go to scammers, under the Payment Services Regulations he is liable for the loss in the first instance. And broadly speaking, Santander had an obligation to follow his instructions – the starting position in law is that banks are expected to process payments which a customer authorises them to make.

Santander should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. I've thought carefully about whether Santander should have done more in Mr N's case.

However, I don't think the payments involved were so unusual or out of character that Santander needed to intervene. While a couple of payments were made in quick succession, and while the money went to crypto or international transfer platforms, the payments were each of relatively modest value, they were spread out over the course of over a month, a healthy balance was left in Mr N's account after each payment, and Mr N had spent similar or larger amounts in the preceding months, so the payments were not very out of character for his account. The payments were authorised by the genuine customer to accounts in his own name, and there were no issues such as remote access which should've otherwise prompted Santander to intervene.

Next, I've considered what Santander did to try to recover Mr N's money after he told Santander about the scam. Unfortunately, as Mr N had sent the money onto the scammers, there were no funds remaining for Santander to be able to recover. There was no realistic prospect of success for a chargeback – there was no chargeback reason which would have reasonably covered this situation, and a chargeback would be against the platforms rather than the scammers, but the platforms did their job. And as the payments went to accounts in Mr N's own name, they were not covered by the CRM Code. I'm afraid there was nothing more that I could reasonably expect Santander to have done there.

So while I'm very sorry to hear about what happened to Mr N, I don't think Santander can fairly be held responsible for his loss. And so I can't fairly tell Santander to refund Mr N's money in this case.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 1 October 2024.

Adam Charles
Ombudsman