

The complaint

Miss B is being represented by solicitors. She's complaining about Santander UK Plc because it won't refund money she lost as the result of fraud.

What happened

In December 2023, Miss B fell victim to a cruel job scam that required her to pay money to obtain tasks for her to complete in return for payment. As part of the scam, she set up a new account in her own name with an electronic money institution (EMI) and this was used to fund payments to the fraudster. In all, Miss B made 13 payments totalling £3,116 to her e-money account as follows:

Date	Amount £
2 December	100
2 December	66
2 December	300
2 December	300
2 December	260
2 December	300
2 December	300
2 December	300
2 December	90
2 December	300
2 December	300
2 December	200
7 December	300

Our investigator didn't recommend the complaint be upheld. He didn't think there was anything about the payments that should have alerted Santander to the fact Miss B was at risk of fraud and was satisfied it was reasonably entitled to make the payments in line with her instructions.

Miss B didn't accept the investigator's assessment. Her representative pointed to a number of factors that it believes should have prompted Santander to intervene before making the payments. In addition to the number of payments in a short period of time, it noted the account balance was zero before the scam began and suggested an influx of transfers from another account to fund each of these payments should have been a cause for concern.

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, and for broadly the same reasons. I haven't necessarily commented on every single point raised but

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.

In broad terms, the starting position at law is that a bank such as Santander 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.

In this case, there's no dispute that Miss B authorised the above payments.

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 Miss B.

Having considered what Santander knew about the payments at the time it received the payment instructions, I'm not persuaded it ought to have been particularly concerned about them. The payments were going to an account in Miss B's own name and the value of each one was relatively low. While there was a significant number of payments on 2 December, I don't believe this situation continued long enough for a pattern to emerge that should have led Santander to conclude Miss B might be the victim of fraud.

I note the comments of Miss B's representative about her account having a zero balance prior to the scam and that she made a number of transfers into her Santander account, which doesn't seem to have been her main account, to fund each payment. But Santander has provided an account history that shows this was consistent with how the account had been managed previously, with regular transfers in immediately followed by an equal value transfer out to another account in her own name and a minimal balance otherwise.

Based on the circumstances of the transaction, I don't think there were sufficient grounds for Santander to think Miss B was at risk of financial harm from fraud when she made the payments. So, I can't say it was at fault for processing them in line with her instructions

I want to be clear that it's not my intention to suggest Miss B is to blame for what happened in any way. She was under the spell of a fraudster who was clearly adept at manipulating victims. I can understand why she acted in the way she did. But my role is to consider the actions of Santander and, having done so, I'm not persuaded these were the cause of her losses.

Recovery of funds

I've also looked at whether Santander took the steps it should have once it was aware that the payments were the result of a scam. It's shown that it contacted the receiving bank about the payments promptly once the scam was reported. But unfortunately these attempts weren't successful. It's a common feature of this type of scam that the fraudster will move money very quickly to other accounts once received to frustrate any attempted recovery and I don't think anything that Santander could have done differently would likely to have led to Miss B's money being recovered.

In conclusion

I recognise Miss B has been the victim of a cruel scam and I'm sorry she lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I think Santander acted fairly and reasonably in its dealings with her 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 Miss B to accept or reject my decision before 19 December 2024.

James Biles
Ombudsman