

The complaint

Mr G complains that Santander UK Plc did not do enough to protect him from financial harm, despite being aware of his vulnerabilities.

What happened

Mr G has held an account with Santander since 2019. Between around April 2023 and December 2023 Mr G says that two people he knew were pressuring him to either buy things for them or to give them money. Mr G says that the payments he made for these people were made under duress, he was not a willing participant in the transactions.

Mr G says that Santander was aware of his particular vulnerabilities, and of his concern that he was being pressured to spend money. He says the fact that so much money moved through his account during this period should have been of concern to Santander given what it knew, and that it should therefore have taken steps to contact him to make sure he was ok and to protect him from what was happening.

Mr G raised his concerns with Santander in February 2024, but Santander said it had not had any fraud or scam concerns about the payments being made from Mr G's account, it does not think it should be held liable for any of the financial loss Mr G is claiming.

Mr G was unhappy with Santander's response, so he referred his concerns to our service. One of our Investigators looked into what had happened, but they did not consider that Santander had treated Mr G unfairly. Mr G remained unhappy, so his complaint was passed to me for review.

I issued a provisional decision on this case on 15 November 2024, explaining why I did not consider that Santander had treated Mr G unfairly. Santander made no further comment, Mr G has explained that he still does not consider Santander treated him fairly. He feels that it should have taken proactive steps to reach out to him given what it knew about his vulnerabilities and his concerns about his account.

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.

In my provisional decision I explained the following:

"It isn't in dispute that Mr G authorised the payments that are the subject of this complaint. Because of this the starting position – in line with the Payment Services Regulations 2017 – is that he's liable for the transactions. Because of this, Mr G is not automatically entitled to a refund.

However, Santander has signed up to the voluntary Contingent Reimbursement Model Code, which provides additional protection to scam victims. Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP

scam (except in limited circumstances). But the CRM Code only applies if the definition of an APP scam, as set out in it, is met. I have set this definition out below:

...a transfer of funds executed across Faster Payments...where:

- (i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or*
- (ii) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.*

I've therefore considered whether the payments Mr G made fall under the scope of an APP scam as set out above.

But the payments he is disputing were largely card payments to third parties, and so would not be covered by the code. There do appear to be occasions when Mr G did transfer funds via faster payment to one or other of the individuals he says were pressuring him, but while he says this was under duress, he was still paying the person he thought he was paying and he was aware of the reasons why those people had asked him to pay the money, I've seen nothing to suggest that they were deceiving him about what the money was for. So, I don't think I can reasonably say that any of the payments Mr G is disputing would be covered by the CRM Code.

I appreciate that Mr G says these people did not pay him back and pressured him into making the payments, but I think that would be more reasonably classed as a civil dispute between Mr G and those people, and that is not something that the CRM Code is designed to cover. This means that Mr G is not entitled to a refund under the CRM Code.

Nonetheless, the regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams.

So, I've gone on to think about whether Santander should have realised that Mr G was at risk of financial harm, and so should have stepped in to protect him.

Mr G has said that he told Santander many times that he struggled to manage his money, he's also suggested that he told them he was being pressured to make payments. I've looked carefully through Santander's records of its contact with Mr G, and have listened to a selection of phone calls between Mr G and Santander from the relevant period.

I can see that Santander was aware that Mr G had specific vulnerabilities relating to his ability to understand numbers; notes regarding this were first added to his account in late 2021 and early 2022. However, it appears that at that stage all Mr G told Santander was that his vulnerabilities meant he found written communication difficult, and so would prefer to communicate verbally.

The next reference to Mr G's vulnerabilities is in April 2023, when he spoke to Santander about some direct debit payments to a car finance company which he wished to claim back. During that call he reiterates that he has difficulties with corresponding in writing but makes no mention of any concerns about other payments at that stage.

The next recorded contact between Mr G and Santander appears to be in June 2023, I have not been able to listen to this call, but Santander has provided detailed notes of what was discussed. This call was again about the direct debit indemnity mentioned above. During this

call Mr G and Santander again discuss his need for verbal communication, Santander also advises Mr G about other ways he can be helped to manage his account such as a power of attorney or a third-party mandate (meaning someone he trusts could help him to manage the account).

At the end of this call Mr G does make reference to the fact that he feels he is 'haemorrhaging' money, Santander asks him what he means, and Mr G says that he has two accounts, and he moves money from one to the other when necessary. Mr G then says that at the moment he is moving money into his main account but then it just seems to disappear. The Santander staff member says that is not really her area, but gives Mr G details of the banking team who may be able to help him and give further advice. Santander has confirmed that Mr G did not make contact with the banking team about his concerns following this call.

With this in mind, I do agree that Santander had some awareness that Mr G might be struggling to manage his money. However, I don't think it would have known that these difficulties were due to anyone pressuring Mr G to make payments, I can't see any evidence that he mentioned this to Santander until he raised his complaint in early 2024. And, from Santander's point of view, it had given Mr G advice about how he could arrange for a trusted third party to help him manage his account, and had directed him to the team who could help him with advice about managing his finances. But Mr G had not taken Santander up on any of those suggestions.

So, given what it knew, I don't think I could reasonably expect Santander to have done more here than look out for unusual or concerning payments out of Mr G's account. Mr G had told it that he was moving money between his accounts, so I can't see that any of the transfers between his two accounts would have been of any particular concern to Santander. The question then is whether the payments out of Mr G's main account should have caused Santander any concern, or led it to contact Mr G directly to ensure that he was in control of his spending.

But looking at the payments in question, I cannot see that there were any that were concerning enough to have flagged to Santander as a potential sign of financial harm. While we do expect banks to monitor accounts for signs of financial harm, that does not mean that we'd expect them to examine every payment made or to have a detailed oversight of every payment in and out of an account. Banks rely on triggers such as unusual patterns of spending that could be indicative of fraud or scams, particularly high payments, or payments to unusual or out of character payees (like overseas accounts, cryptocurrency, gambling etc).

And looking at Mr G's account statements it appears that the payments he is disputing were largely small value – under £100 – and to well-known high-street retailers. There were also some small cash withdrawals and transfers to third parties, but there was nothing in particular about these transactions that would make them stand out from Mr G's other account activity. I can't see that there were any clear indications that the payments Mr G was making were anything other than normal day to day spending on his account.

I know this will be very disappointing for Mr G, but having thought carefully about all that has happened here, I am currently intending to find that Santander has treated him fairly. I cannot reasonably say, based on the evidence and arguments I have seen, that Santander should have stepped in to question Mr G about the payments being made from his account.”

I appreciate Mr G taking the time to comment on my provisional findings, and I can understand his strength of feeling regarding this matter. But having thought very carefully about all that he has said, I remain satisfied that Santander acted appropriately here, and

that it would not therefore be fair or reasonable to ask it to reimburse any of the loss Mr G is claiming.

As I explained in my provisional decision, I agree that Santander was aware of Mr G's particular vulnerabilities. I also agree that, in June 2023, Mr G told Santander that he was 'haemorrhaging money' and that when he moved funds into his current account they would just 'disappear'. Mr G feels that, following this call, Santander should have taken proactive steps to contact him to offer assistance.

I can understand why Mr G feels this would have been the right thing for Santander to do. But that does not mean that it was the only reasonable action Santander could have taken. As I explained in my provisional decision, Santander had already set out some options Mr G could use to have a trusted third party help him manage his account, and had directed him to the right department to discuss the problems he said he was having managing his money. And from what I've seen there was no indication that Mr G hadn't understood or taken in the advice he'd been given. I also think it is worth noting that, from what I have seen and heard, I don't think it would have been at all clear to Santander that the issue Mr G had was of a third party pressuring him to spend money rather than it being an issue of personal money management or financial difficulties.

So, with all this in mind, I remain satisfied that the steps Santander took to signpost Mr G to an available source of advice were reasonable in the circumstances. I don't think it failed in its obligations to Mr G by not proactively pursuing further conversations with him about this issue, particularly given that Mr G's account activity did not show clear signs of fraud, excessive spending, or other clear money management problems.

I know this will be extremely disappointing for Mr G, it's clear that this complaint is very important to him and that he feels Santander has let him down, but with all I have seen I do not consider I can reasonably say that Santander has treated him unfairly.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 13 January 2025.

Sophie Mitchell
Ombudsman