

The complaint

Mr F complains that Santander UK Plc will not refund £5,000 that he says he lost to a scam.

What happened

Mr F made a payment of £5,000 on 25 April 2018 to invest in a company I'll call 'W'. He's said that since that point, he has received no returns and has lost his funds so feels this was a scam. Mr F raised this with Santander and when he did not get a response, referred the complaint to our service.

Our Investigator looked into it and felt that Santander should reasonably have asked Mr F questions about the £5,000 payment prior to processing it. However, they felt that due to the official looking paperwork that Mr F was given by W, as well as the fact W was registered on Companies House and the company that he sent the funds to were registered at the Financial Conduct Authority, it was unlikely further questions would have led to Mr F deciding not to send the funds.

Mr F's representative disagreed with this as they felt had Santander asked more questions, the concerns would have been uncovered and Mr F would not have made the payment.

As an informal agreement could not be reached, the complaint has been passed to me for a final decision.

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 deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Broadly speaking, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account. And a customer will then be responsible for the transactions that they have authorised.

It's not in dispute here that Mr F authorised the payment of £5,000 as he believed it was part of a legitimate investment. So, while I recognise that Mr F didn't intend to lose the money, the starting position in law is that Santander was obliged to follow Mr F's instruction and process the payment. Because of this, he is not automatically entitled to a refund.

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 also thought about whether Santander did enough to try to keep Mr F's account safe.

I've compared the transaction in question to Mr F's normal account activity around the time it was sent. Having done so, I don't think it was particularly unusual or out of character for him. I say this because there are a number of other higher value transactions, including one of over £8,000 around six months before. In addition, the balance of the account following the transaction is not particularly low or unusual, so while the value of the payment individually may have been a little high, I don't think this on its own is enough to say Santander ought reasonably to have flagged this payment prior to it being made. And I therefore don't think they have missed an opportunity to uncover any potential concerns they or Mr F may have had about the payment prior to it being processed.

However, I have still considered whether intervention by Santander would have made a difference to the payment being made, for completeness. And overall, I don't think it would have done. Mr F had received a professionally made booklet about the investment, for a bond administered by an FCA-registered business, from a company that was registered with Companies House. So, at that point, it's unlikely probing questions or a targeted warning by Santander would have made Mr F change his mind about the transaction.

My final decision

I do not uphold Mr F's complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 24 November 2023.

Rebecca Norris
Ombudsman