

## **The complaint**

Miss P complains that Santander UK Plc hasn't refunded her after she fell victim to a purchase scam online.

## **What happened**

Miss P found a post from someone on social media recommending an individual offering discount sales of designer items.

Miss P contacted the seller and was interested in an offer on a designer ring. The retail value of the ring was £1,260 but the seller was offering it for £500. Miss P agreed to the sale and sent a faster payment (bank transfer) to the account details she was given.

The seller then stopped communicating with Miss P and never sent the goods. Miss P realised she'd been scammed. She got in touch with the person that had recommended the seller and discovered they'd been scammed too.

Miss P told Santander what had happened, and it considered whether it would reimburse her loss. But it declined to do so, stating Miss P hadn't done enough to check the seller was legitimate. It noted there were signs all was not as it seemed, given the price of the item was so low.

## **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'm sorry to disappoint Miss P but I'm not upholding her complaint. I don't doubt that she's been the innocent victim of a scam. And it's not that I think she knew something was wrong at the time. But Santander's decision to not reimburse her loss is fair and reasonable in the circumstances. I'll explain why.

The starting point at law is that Miss P is responsible for the payment she made because it was properly authorised. This position is confirmed by the Payment Service Regulations (2017) and Miss P's account terms and conditions.

Santander is a signatory to the Lending Standards Board's Contingent Reimbursement Model (CRM) Code. This looks to see the victims of scams refunded in most circumstances, even though they authorised payments out of their account.

Within the Code there are exceptions to reimbursement that a firm – like Santander – can choose to rely on in declining a refund. Santander has said such an exception applies here, stating that Miss P didn't have a reasonable basis for believing she was dealing with a legitimate seller or that the goods were genuine. I find that its reliance on this exception is fair and reasonable.

I'm persuaded that, as a starting point, the price on offer for the ring was too good to be true. The seller was supposedly willing to part with it for less than half of its retail value. And there

wasn't any convincing explanation as to why that would be the case. I find it's fair and reasonable to say that such a huge discount ought to have been viewed with a great deal of scepticism.

I can see Miss P paid the money into an account in a different name to that of the seller. Miss P has said that many people on social media will use different names, and I accept that can be the case. But given she was engaging in the purchase of a high-value item, and where there were already signs all was not as it seemed, I believe this fact ought to have caused Miss P further concern. Instead, it doesn't appear as though Miss P questioned this to any significant degree.

I can see Miss P has fallen victim to a very similar scam before, involving the purchase of goods through social media. So it's fair to say Miss P had some experience of this type of scam and ought to have been wary about offers that appeared too good to be true, or where she'd never seen the item or seller in person. It wouldn't be fair to say she had no appreciation of the risks of making such a purchase. And, in this instance, Miss P has explained she was being pressured by the seller to make the payment quickly. That's another concerning factor that ought fairly and reasonably to have led to Miss P questioning what she was getting involved with.

Santander has provided evidence of the written warnings it presented Miss P as she identified the purpose of her payment. She was shown a warning that directly related to purchase scams. It identified some of the key risks – including offers that were too good to be true – and ways in which she might protect herself. And whilst I'm not making an assessment here under the effective warnings exception to reimbursement (set out separately in the Code), it is fair and reasonable to say the warnings given by Santander ought to have resonated with her to a degree and influenced her actions.

I know Miss P relied on the word of those that recommended the seller in choosing to go ahead with the purchase. But I don't think those recommendations were enough to overcome the other concerning and identifiably risky elements of the purchase. As such I'm satisfied Santander has acted reasonably in declining Miss P's claim under the CRM Code.

I have also thought about Santander's actions and responsibilities here, and whether it did all it ought to. I'm satisfied it did and it met the standards for firms which are set out in the Code.

There will be times when a firm like Santander will need to deliver what the Code defines as an effective warning. That would be the case where there is an identifiable scam risk. Here, because the payment was of relatively low value and didn't appear as unusual, I believe Santander's response was proportionate. It didn't need to give a warning that met all the requirements of the Code.

My final consideration is whether Santander did what it needed to to try and recover Miss P's money. I'm satisfied it did. The receiving bank were contacted quickly, although Santander never received a response. Unfortunately, there was nothing more it could do, other than chase the receiving bank again. But no funds have been returned to Miss P.

Having considered all relevant factors I find that Santander has acted fairly and reasonably in declining to reimburse Miss P. That's not to say she hasn't been the innocent victim of a cruel scam. But I can't say it's Santander that should bear responsibility for her loss.

### **My final decision**

I don't uphold this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 23 April 2024.

Ben Murray  
**Ombudsman**