

The complaint

Mr C complains that Santander UK Plc ("Santander") won't refund over £11,000 he lost to an investment scam beginning in July 2021.

The details of this complaint are well known to both parties, so I won't repeat everything again here. Instead, I will focus on giving the reasons for my 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons:

- It isn't in dispute that Mr C authorised the disputed payments he made to purchase cryptocurrency (where the funds were subsequently transferred on to the scammer). The debit card and faster payments were requested by him using his legitimate security credentials provided by Santander, and the starting position is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- However, I've considered whether Santander should have done more to prevent Mr C from falling victim to the scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character.
- It's accepted that at least one of the payments Mr C made during the scam was considered unusual given that it did trigger the bank's fraud prevention systems and was automatically blocked pending further enquiry – such as when he attempted to make a payment of £6,500 on 9 September 2021. Accordingly, it's just a question of whether the bank went far enough in all the circumstances with its intervention.
- When Santander spoke to Mr C, it said it was concerned as he had previously fallen victim a cryptocurrency scam and appeared to be making a similar payment. The advisor asked if he wanted to stop and think about it given he was unsure where the payment was ultimately going. However, Mr C was resolute in his determination to make the payment. He told the advisor that if the bank wouldn't allow it, then he would just transfer his money to another bank and make the crypto payment from there. The advisor said they were happy to make the payment, but thought that he should exercise caution given the scam he'd fallen victim to in the past. Mr C explained that this was all in the past and kept on asking for his account to be unblocked. The advisor reminded Mr C of how crypto scams tend to work and said he shouldn't continue with the payment if he was being advised by a third-party 'broker'. He said he would think about it, but despite the warnings given by Santander, he nonetheless went on to make further payments to the scammer.

- Having considered the conversation Santander had with Mr C, as well as the warning it gave him during its intervention, I'm not persuaded there was anything further the bank could've done to have prevented him falling victim to the scam. Mr C was adamant that he wasn't being scammed and was even willing to make the payment from another account if Santander continued to block it. Santander described the exact scenario of the scam he was falling victim to and said he shouldn't continue with the payment if this was the case, yet he still went on to make further payments.
- So, in these circumstances, I don't consider it would be fair and reasonable to hold Santander liable for Mr C's loss, because it seems more likely than not that he would have always made the payment to the scammers, notwithstanding any intervention or scam warning given by the bank.
- I also don't think there was anything more Santander could've done to recover the money Mr C lost after the fraud was reported. In terms of the debit card payments, a chargeback claim would've had little prospect of succeeding given Mr C would've received the asset he had purchased (i.e., the cryptocurrency). Similarly, for the faster payments, there would've been no prospect of recovering the money from the receiving accounts either, given we know these accounts were controlled by Mr C, who had already transferred the funds on to the scammer by the time the fraud had been reported.

I appreciate this will likely come as a disappointment to Mr C, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded that Santander can fairly or reasonably be held liable for his loss in these circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 31 January 2024.

Jack Ferris
Ombudsman