

The complaint

Ms S via her representative complains that Santander UK Plc (“Santander”) have failed to refund money that she lost as part of an investment scam.

What happened

Ms S clicked on an advert on a social media platform and was contacted by someone who said they worked for a trading company that I will call B. From what I can see, Ms S made debit card payments totalling over £8,000 to a variety of crypto exchanges. The funds were then sent on to B.

Ms S wanted to withdraw the “profits” she could see on B’s website, but after much back and forth she was unable to do so. At this point Ms S realised that she had been scammed.

Ms S raised a complaint with Santander as she believed that Santander should have stopped her from making the payments in question.

One of our investigators looked into this matter and they decided that the transactions were not sufficiently out of character to warrant an intervention by Santander. That the calls that did happen between Ms S and Santander went far enough and even if they had gone further it would not have prevented the scam. They also found that there was no other means of Santander recovering the funds.

Ms S’s representative did not agree with this and therefore her complaint was passed to me to issue 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.

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

It isn’t in dispute that Ms S authorised the payment she made from her Santander account (where her funds were subsequently transferred on to the scammers). The transaction was requested by her using her 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 Ms S 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. However, having thought about Ms S’s account activity, I do not think the payments she is disputing should have been regarded as particularly unusual.

The payments were not of such a large amount that it would represent a significant deviation from what would be considered as 'usual' activity. I accept that there was a larger payment than Ms S usually made but this was not sufficiently large to have prompted an intervention from Santander especially as Ms S by this point had made a number of payments to various crypto exchanges including three to the exchange that this payment went to.

So, having considered the payments Ms S made, I'm not persuaded there was anything that ought reasonably to have triggered Santander's fraud monitoring systems or that would have indicated she was in the process of being scammed. I therefore do not consider there to have been any obligation on Santander to have intervened any further.

That said I can see that there were a number of calls between Santander and Ms S. I have listened to these calls and given the value of the transactions these related to and the answers that Ms S gave I don't think Santander needed to do anything more.

But even if Santander had gone further, I don't think this would have prevented the scam. I say this because Ms S's representative has explained that Ms S was coached on the answers to give and she fully trusted the scammer. So, Santander would likely either have been reassured by the answers Ms S would likely have given or at the very most Santander would have provided a generic warning based on the coached answers Ms S would likely have given. Had a generic warning been given I think that Ms S would still have proceeded as she did when given a generic warning during one of the calls early on in the scam.

I've also thought about whether Santander did enough to attempt to recover the money Ms S lost. But as the payments were made by debit card the only real recourse to recover the funds would be via a cashback. In this instance given that the payments were to purchase crypto which was provided by the exchanges I don't think a chargeback would have been successful because she essentially received the goods that she paid for.

I appreciate this will come as a disappointment to Ms S, and I'm sorry to hear she has been the victim of a cruel scam. However, I'm not persuaded that Santander can fairly or reasonably be held liable for her 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 Ms S to accept or reject my decision before 7 December 2023.

Charlie Newton
Ombudsman