

## **The complaint**

Mr K is unhappy Santander UK Plc ("Santander") hasn't reimbursed two card payments he made towards his sister's medical degree course. He believes it was a scam.

## **What happened**

Mr K says his sister (Miss S) didn't get services paid for. He said the Institution (N) and a third-party agent (S) weren't honest. He said Miss S was promised online lectures, seminars, and full online support for a four-year graduate medicine course. However, once she enrolled onto the online programme, she was told online studies are illegal and she needed to present a valid reason as to why she couldn't attend on campus. It was also revealed that she would need to complete (and pay for) a further two years for her degree to be approved by the General Medical Council (GMC).

Santander said it was unable to deem the payments as fraudulent and it was too late to raise a chargeback claim on the first payment of £1,536.33 but it provided a disclaimer form for the second payment of £74.57.

Our investigator did not uphold the complaint. He didn't think the payments made were to a scam and he also didn't consider the size of the transactions ought to have caused Santander concern. He also didn't think there was any realistic prospect of recovering the money via a chargeback.

As Mr K did not agree, the case has been passed to me for a 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.

When considering what is fair and reasonable, I am required to take into account: relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

I'm aware that I've summarised this complaint in far less detail than Mr K has presented to us, but I have read all of his submissions. I'm not responding to every single point made but instead I've concentrated on what I think are the key issues material to the outcome of this complaint.

I'm not deciding a dispute between Mr K and N – I don't have the power to look into a complaint about N. My role is limited to deciding the dispute between Mr K and Santander. The two payments from Mr K's debit card went to Mr K's pre-existing account with an Electric money institute (EMI) and as I understand it - on from there to an institution (N) abroad - to pay for Miss S's degree course fees and insurance.

There is no dispute Mr K authorised the transactions and he was sending money to his own EMI account. These are card (pull) payments rather than authorised push payments and the CRM Code does not apply here.

Although the money did not go directly to N from Mr K's Santander's account, the evidence I've seen suggests N is a legitimate further education institution based abroad. Having considered all the evidence and information Mr K has provided, I believe this is a civil matter between the two parties.

Overall, I am not persuaded Mr K has been a victim of a scam here. I haven't gone into detail about this because - even if it could be established Mr K was a victim of a scam - this is not a complaint I would uphold. I'll explain why.

It's important to note there is no automatic refund for victims of fraud. When thinking about Mr K's payments, Santander has an obligation to follow Mr K's instructions. In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

There may be circumstances where a bank should fairly and reasonably take additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm.

But the payments of £1,536.33 and £74.57 were unremarkable and Mr K had made similar sized transactions in the months prior to the scam. Neither payment cleared the balance of his account. I also note the payments were going to an account in Mr K's name. I can't fairly conclude that they should have stood out to Santander as being unusual or out of character.

So, I don't consider the bank missed a clear opportunity to identify a potential scam risk. Banks can't reasonably be involved in every transaction. There is a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments.

For completeness, I will add that banks don't have to raise chargebacks if it looks clear that the cardholder would lose. The first payment was outside the permitted timescales but in any event the payments did not go directly to the merchant but via Mr K's EMI account.

Overall, I don't think Mr K has been a victim of fraud but even if he had been – I don't think Santander did anything wrong in processing the transactions for the reasons I've explained above.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 19 October 2023.

Kathryn Milne  
**Ombudsman**