

## **The complaint**

Mr T is unhappy that Santander UK Plc hasn't returned all the money he lost to a scam.

## **What's happened?**

Mr T has fallen victim to a purchase scam. In December 2022, he sent £1,800 via faster payment to buy three pairs of designer shoes from a seller he'd come across on a popular social media platform. But the items he paid for were never received and the seller has now ceased contact with Mr T and blocked him on social media.

Mr T raised a fraud claim with Santander. At that time, £1,022.63 of Mr T's funds remained in the receiving account – and this amount has been returned to him. Santander has declined to reimburse the remainder of Mr T's loss under the Lending Standards Board's Contingent Reimbursement Model ('CRM Code').

Mr T asked this Service to consider a case against Santander. Our investigator looked into things and didn't think that Santander had done anything wrong in this instance. Mr T asked for an ombudsman's final decision, so his complaint has been passed to me to decide.

## **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.

This decision will focus on Santander's actions in its capacity as the sending bank. If Mr T wishes to complain about Santander in any other capacity, then he should do so directly in the first instance.

Santander is a signatory of the CRM Code, which requires firms to reimburse customers who have been the victims of Authorised Push Payment ('APP') scams, like the one Mr T has fallen victim to, in all but a limited number of circumstances. Santander has argued that one of the exceptions applies in this case. It says that Mr T made the payment without a reasonable basis for belief that the payee was the person he was expecting to pay, the payment was for genuine goods or services and/or the business or person he was transacting with was legitimate.

In thinking about whether Mr T had a reasonable basis for belief, I've considered what steps he took to reassure himself about the legitimacy of the transaction, and whether it was reasonable for him to proceed with the payment.

Mr T has said that the shoes were advertised as new and priced at £600 per pair. He thought the price was competitive, and only slightly cheaper than could be found elsewhere. But from my own research, I've seen that £600 is about 61% of the retail price for the shoes. I accept that sometimes, items are sold for less than the retail price to obtain a quick sale. But I think that £600 was a very good price for the shoes – I consider it too good to be true – and I would've expected Mr T, or anyone else, to be put on guard, and to have taken steps to protect themselves from financial harm before handing any money over.

Mr T says that he's purchased goods advertised on social media platforms before without issue. He's also said that the seller's advertisement for the shoes was shared by a mutual friend, so he believed the advert was genuine, and that a friend of his had bought and received shoes from the same seller.

From the evidence I've seen, I'm persuaded that the seller was operating a scam, and that they were tricking their victims into sending payment for items they didn't have in their possession or didn't intend to hand over. So, I'm not convinced that a friend of Mr T's bought and received shoes from the same seller in absence of any evidence to the contrary – which Mr T hasn't been able to provide. I don't think it's reasonable to rely on previous successful transactions with different sellers as evidence of the legitimacy of a transaction, or mutual connections. Particularly in light of the very low price here, I think Mr T ought reasonably to have taken extra care before making the disputed payment. For example, he could have:

- requested an explanation for the low price.
- asked to see the shoes in person and/or asked for more photos of the shoes.
- checked the seller's independent reviews.
- asked to pay an initial deposit rather than the full price straight away and/or bought 1 pair of shoes to start with.
- asked to pay for the shoes via a more secure method of payment than bank transfer.

Overall, I don't think I can reasonably conclude that Mr T had a reasonable basis for belief on this occasion. So, I'm not persuaded that Santander should've reimbursed his loss because of any obligation under the CRM Code.

Given the nature and value of the payment Mr T made and considering Mr T's account activity in the months leading up to the scam, I wouldn't have expected the bank to have identified an APP scam risk. So, I'm not persuaded that Santander ought to have taken any further action to prevent the scam. And I've seen that the bank took reasonable steps to recover Mr T's funds when he raised a fraud claim with it, and the funds that remained in the beneficiary account to recover have been returned to Mr T.

### **My final decision**

For the reasons I've explained, 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 T to accept or reject my decision before 30 December 2023.

Kyley Hanson  
**Ombudsman**