

The complaint

Mrs A complains Santander UK plc hasn't refunded transactions that she didn't make.

What happened

Mrs A has been a customer of Santander for many years. She has two accounts in her name – a current account and a savings account – and a mobile phone registered with Santander.

On 16 September 2022 Mrs A called Santander to say that two payments had left her accounts that she hadn't made – a £1,500 payment from her current account and a £2,000 payment from her savings account. Mrs A said she was at the gym at the time and that she'd left her phone locked up in one of the gym's lockers. In other words, Mrs A disputed the payments and asked for them to be refunded.

Santander says it contacted the banks the disputed payments were sent to in an attempt to recover them. Santander says it did so straightaway – before it had carried out a proper investigation – but that almost all of the money had gone by the time it did so, meaning it recovered less than £5. Santander says that it then carried out a proper investigation and, having done so, decided that Mrs A should be held liable for the payments. Santander says the disputed payments were carried out using a device that had been used for undisputed transactions and had been authenticated using Mrs A's mobile phone.

Mrs A complained to Santander saying that it should have picked up the disputed payments as they were unusual and should have alerted her. She also said that she hadn't shared her details with anyone, hadn't received any one-time passcodes and hadn't heard of the people to whom the money had been sent. Santander looked into Mrs A's complaint. Having done so, it said that it didn't think it had done anything wrong. Mrs A was unhappy with Santander's response and complained to our service.

One of our investigators looked into Mrs A's complaint and said that they didn't think Santander had acted unfairly. They said that the evidence showed the disputed payments had been authenticated using Mrs A's registered device and that there was no plausible explanation as to how an unknown third party could have unlocked her phone or accessed her banking security details in order to authenticate the payments.

Mrs A didn't agree with our investigator saying that Santander had recovered some of her money so the other banks involved must have agreed the transactions were fraudulent. She also said that the whole experience had caused her a lot of emotional trauma, and meant she'd been unable to support members of her family who rely on her. Mrs A asked for her complaint to be referred to an ombudsman. Her complaint was, as a result, passed to me.

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 can see that Mrs A is unhappy about the way Santander handled her disputed transactions.

She's said that Santander should have alerted her because the disputed transactions were unusual, that the other banks must have agreed they were fraudulent as they refunded what was left and that everyone knows that fraudsters are able to hack accounts and take money.

I'm satisfied that neither of the transactions triggered Santander's systems because of their size and nature. And I don't think this was unreasonable. I'm also satisfied that Santander contacted the two receiving banks before it had investigated the disputed transactions in detail. Santander did so because in cases involving fraud money is often moved on quickly. In other words, Santander contacted the receiving banks at the earliest opportunity. So, I don't agree that Santander's actions, or necessarily the receiving banks' actions, show that these transactions must have been fraudulent as Mrs A has said. In this case, what is key is the way in which these transactions were done.

The evidence I've seen from Santander shows that both of the disputed payments were made on the mobile phone that Mrs A normally uses to transact. It also shows that one-time passcodes were sent to authenticate these payments.

Mrs A told Santander and us that her mobile phone has a pattern lock and at the time that it was locked in a locker at a gym she was at that morning. I can see that Mrs A told Santander that no-one else knew her pattern lock and she hasn't shared any of her details with anyone.

I don't think it was unfair of Santander to hold Mrs A liable in the circumstances, particularly given that Mrs A had told Santander that no-one else had access to her mobile phone or knew her pattern lock. In other words, there was no evidence Mrs A's details had been compromised. In the circumstances, I agree with our investigator that Santander didn't act unfairly when it decided to hold Mrs A liable for these transactions.

I note that Mrs A told both Santander and us that she was at the gym from 8.50am to 10.25am and that the payments took place whilst she was at the gym. In fact, I can see from the evidence that Santander has sent that the first payment was authenticated at 10:32am and the second payment was authenticated at 10:37am. In other words, these payments appear to have been made after she'd finished at the gym.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 10 August 2023.

Nicolas Atkinson
Ombudsman