

## **The complaint**

Miss S complains that Santander UK Plc hasn't refunded her after she fell victim to an investment scam.

## **What happened**

Miss S was contacted by someone she didn't know on social media. They said they could help Miss S invest money and make good returns. This person, unbeknownst to Miss S at the time, was a scammer.

Miss S started to make card payments to a cryptocurrency platform. It was then converted into cryptocurrency and sent on at the scammer's instruction. Miss S was told she was making good returns and so was persuaded to keep investing. She made seven payments toward the scam over three days, for a total sum of £3,390. She sent a final payment of £1,544.85 around a month later.

Miss S realised something was wrong when she couldn't withdraw any of her returns. She reported the scam to Santander. It said it wouldn't be able to help or provide a refund.

## **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'm sorry to disappoint Miss S but I'm not upholding her complaint. I know this scam will have had a significant impact on her, not only financially but mentally, and emotionally too. But I must consider whether Santander has acted unfairly or unreasonably at any stage. And I can't say that it has.

The starting point at law, as per the Payment Service Regulations (2017), is that Miss S is responsible for the payments she made. That's because she authorised for them to debit her account. That she did do as a result of being deceived by a scammer doesn't alter that position. And Santander has a duty to execute payment instructions it receives from a customer.

As these are card payments, they don't benefit from the protection of the Contingent Reimbursement Model (CRM) Code. That only applies to bank transfers (broadly speaking).

That said, there are times when it would be fair and reasonable for an account provider like Santander to stop an authorised payment instruction for questioning, despite its duty to execute it. Such a situation might arise where the circumstances surrounding a payment make it appear suspicious or unusual, to the extent where it ought to be evident the customer is at risk of financial harm through fraud.

I can't say those characteristics are evident here. It's true that Miss S did send a substantial sum to the scammer before she realised something was wrong. But I don't find that any of the individual payments were so significant in value that Santander ought to have identified a clear scam risk. I've thought about the other characteristics of the payments, including where they were being sent to and their frequency, but these factors still don't persuade me Santander needed to stop the payments for questioning.

I can see there were two occasions when Santander paused payments until Miss S confirmed their legitimacy. I find that was a sufficient and proportionate reaction to the payment instructions it was receiving from Miss S.

I've also thought about what Santander did once the scam was reported, and whether there was anything it might have done to recover Miss S' money. I'm satisfied there was nothing that could be done.

A chargeback is sometimes a way of recovering money lost to fraud through use of a card. But that wasn't an option here. Miss S knowingly sent the money to a cryptocurrency platform and on from there. She was aware of what was happening with the money, and the platform itself provided the service it was asked to provide. And so a chargeback would never have succeeded.

### **My final decision**

I don't uphold this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 17 April 2024.

Ben Murray  
**Ombudsman**