

## **The complaint**

Mrs V is unhappy that HSBC UK Bank Plc won't refund all the money she's lost to a scam.

## **What's happened?**

Mrs V saw a private advert for a motorhome on a well-known online marketplace. She contacted the seller and was told that she was selling the motorhome at a reasonable price because she had returned to Germany and no longer required the vehicle.

Mrs V received what she thought was a genuine invoice via email from the online marketplace (she says she had used the marketplace a lot in the past for smaller purchases and the email looked authentic) asking her to make a faster payment to the marketplace's bank account and providing her with the relevant account details. Mrs V's understanding was that the marketplace would hold her payment until the motorhome had been delivered to her and she had had the opportunity to inspect it. If she was happy with the motorhome, her payment would be released to the seller. If she wasn't, she could return the motorhome and the marketplace would reimburse her funds.

Mrs V visited a HSBC branch on 5 August 2021 and transferred £8,800 to the account details she had been given.

When the motorhome wasn't delivered as expected, Mrs V realised that she had been scammed. She reported the matter to HSBC on 23 August 2021.

Mrs V has said that:

- she only ever spoke to the seller (and their representative) via email.
- she didn't view the motorhome because she had the opportunity to return it and receive a full refund if she wasn't happy with it.
- she saw photos of the motorhome on the seller's advert, but she didn't receive any additional photos of it.
- she didn't ask the seller any questions about the motorhome.
- she didn't ask for the motorhome's registration number and couldn't see it on the advert.
- she didn't carry out any vehicle checks on the motorhome.
- the motorhome was priced similarly to other vehicles of the same make and year advertised on the online marketplace.
- it never crossed her mind that this was a scam – everything looked authentic.

HSBC accepted partial responsibility in this case and reimbursed £4,400. It acknowledged that it should've done more to protect and advise Mrs V when she made the payment in-branch, but it said she could also have done more checks to protect herself prior to making the payment.

Mrs V has said that £2,357.94 has been recovered from the scammer's account. She would now like HSBC to refund the remaining £2,042.06 loss.

### What did our investigator say?

Our investigator didn't recommend that HSBC take any further steps to resolve this complaint.

Mrs V asked for her complaint to be escalated to an ombudsman, so it has now 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.

HSBC is a signatory of the Lending Standards Board's Contingent Reimbursement Model ('CRM Code'), which requires firms to reimburse customers who have been the victims of Authorised Push Payment scams, like the one Mrs V has fallen victim to, in all but a limited number of circumstances. HSBC has acknowledged that it didn't provide Mrs V with an effective warning during the payment journey in this case. But it's argued that Mrs V made the payment without a reasonable basis for belief that the payee was the person she was expecting to pay, the payment was for genuine goods or services and/or the person or business she was transacting with was legitimate.

I've thought about what steps Mrs V took to reassure herself about the legitimacy of the transaction, and whether it was reasonable for her to proceed with the payment.

Mrs V has said that it never crossed her mind that this was a scam, and the invoice she received via email from the online marketplace looked authentic – it had the marketplace's header on it and contained her personal details. But I've looked at the invoice and I can see that it was sent from an email address which does not belong to the online marketplace. I appreciate that Mrs V has said she didn't notice this but the email address the invoice was sent from is clearly visible at the top of the invoice and I think she ought reasonably to have seen it and/or been on the lookout for clear indications of a scam such as this. The invoice also requested payment to the online marketplace's bank account, which is not how buyers usually pay for items purchased on the marketplace. I think Mrs V ought to have been aware of this having used the marketplace a lot in the past.

In the circumstances, I would've expected Mrs V, or anyone else to be put on guard. But by her own admission, she didn't carry out any checks or make any attempts to protect herself. For example, she didn't:

- take any steps to verify the seller was genuine.
- try to view the vehicle prior to paying for it.
- request further photos of the motorhome, or more information about it – such as the vehicle's registration number.
- carry out any checks on the motorhome to ensure that it wasn't stolen, was free from finance and belonged to the seller.
- attempt to pay for the motorhome via more secure means than faster payment.

Overall, I'm not persuaded that Mrs V had a reasonable basis for belief in this case.

As HSBC failed to provide Mrs V with an effective warning and that failure is likely to have had a 'material effect' on preventing the scam, but Mrs V also lacked a reasonable basis for belief, she should be reimbursed 50% of her loss under the provisions of the CRM Code. HSBC reimbursed £4,400 in early September 2021. So, it has already taken the action I would expect it to take in this respect.

I've considered whether HSBC took reasonable steps to recover Mrs V's funds, and I think it did. It contacted the receiving bank on the same day that Mrs V reported the scam to it, and Mrs V has told us that £2,357.94 has been recovered from the scammer's account and returned to her. I'm not persuaded that HSBC could've taken any further action that would've led to the recovery of a higher proportion of Mrs V's funds.

Finally, I've thought about whether HSBC ought reasonably to have done more to prevent this scam. I've looked at Mrs V's account activity in the months leading up to the scam and I think that the payment she made was unusual enough to alert HSBC to the possibility that she was at risk of financial harm. So, I'm satisfied that HSBC should've asked Mrs V some questions about the payment when she instructed it in-branch and done more to adequately explain the relevant risk to her. Had it done so, I think it's likely that Mrs V's decision-making would've been affected, and she would've taken steps to protect herself from fraud. But, as I've set out above, I think that Mrs V should've done more to protect herself too in the circumstances, so I still think it's fair for her to bear 50% of the loss she's incurred. And, as she's recovered more than 75% of the payment she made, I don't require HSBC to do anything further to put things right.

### **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 Mrs V to accept or reject my decision before 20 April 2022.

Kyley Hanson  
**Ombudsman**