

The complaint

Miss C complains about HSBC UK Bank Plc.

She says that HSBC didn't do enough to protect her when she became the victim of a scam and would like HSBC to refund her the money she has lost.

What happened

In February 2020, Miss C made contact with an individual through a genuine dating website. This individual instigated a romantic relationship with Miss C, before asking her to send money to them through 'WR' – an Electronic Money Institution (EMI) for a variety of supposed needs.

In total, Miss C made a total of 30 payments, totalling £5,508.74.

Unfortunately, this individual turned out to be a scammer, who had manipulated Miss C into sending her money.

Miss C complained to HSBC. She said that it didn't do enough to protect her from becoming the victim of a scam, and that it should have stepped in and prevented the payments from being made. She says that she had not made any payments to WR prior to the scam taking place and that the payments should have stood out as being unusual.

HSBC didn't uphold her complaint. Unhappy, Miss C brought her complaint to this Service.

Our Investigator looked into things but didn't think that the complaint should be upheld. Miss C asked for an Ombudsman to review her complaint, so it has been passed to me to make a final 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.

Having done so, I've decided not to uphold Miss C's complaint, for broadly the same reasons as our Investigator. I know this will be disappointing for her, so I'll explain why.

It isn't in dispute here that Miss C has been the victim of a cruel scam – and unfortunately has lost a significant amount of money as a result. I am very sorry to hear of what has happened to her, and I understand that she was in a vulnerable place at the time the scam took place. I was pleased to hear that she is now doing better, although I know that the loss of the funds has had an ongoing impact upon her too.

However, in order for me to uphold this complaint, I would need to find that HSBC missed an opportunity to prevent Miss C's loss – and I'm afraid that I don't think that it did.

Miss C agrees that she authorised the payments in question here. So, while I understand

that Miss C had been tricked by the scammer into instructing HSBC to make the payments – and she didn't realise at the time they were being made to a scammer, this doesn't change the fact that she authorised them in the first instance.

I understand that Miss C feels that HSBC should have intervened when she was making the payments to WR – and that this would have brought the scam to light and prevented her loss. So, I've considered if HSBC should have prevented the loss before it happened.

Generally, banks are expected to act upon their customers' requests to make payments, however there are some circumstances where a bank should take further steps before acting on a request – although there is a balance to be struck and they can't reasonably be involved in every transaction.

The regulatory landscape, along with good industry practice, sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. So, I've also thought about whether HSBC did enough to try to keep Miss C's account safe.

In my opinion, the payments in question just weren't sufficiently unusual, uncharacteristic or suspicious to reasonably say HSBC should not have processed them without first getting in touch with Miss C to ensure they were legitimate and not related to a scam. The values of the transactions ranged from around £50 to just over £400 which are not particularly high. And when compared with Miss C's normal account activity, they do not stand out as unusual, as there were other payments for similar amounts being made on the account – and while I understand that the total of the payments adds up to a significant amount of money, they were spread out over a number of months.

I know that Miss C considers that the payments *are* unusual, as they were going to WR – and that this should have stood out to HSBC. But I don't agree. WR is a legitimate business which offers transfer facilities – and not every payment made to it will be of a result of a scam or fraud, and as I have explained above, businesses can't be expected to be involved in every transaction. The payments were also going to an account in Miss C's name.

So, I don't think that HSBC missed an opportunity to prevent the loss that Miss C has suffered, and I don't direct it to refund the transactions in question here.

I also don't think that the funds were recoverable once the payments had been made – Miss C made the majority of her payments via debit card to her own account with WR, before sending the funds on to the scammer – and she didn't make her complaint to HSBC until after the time limit for making a chargeback request (120 days) had already passed.

And even if Miss C had raised the issue earlier, I don't think that any such request would have likely been successful.

The initial payment Miss C made was by bank transfer – but again the funds were transferred on to the scammer on Miss C's request from her account with WR, so even if HSBC asked WR to return the funds, they had already left the account

I am very sorry for the situation Miss C now finds herself in – she has been cruelly tricked by an individual she believed to be a romantic partner and has lost money as a result of this. I can understand that she is devastated by not only the loss, but the deception too. But ultimately, the loss she has suffered has been caused by the scammer – not HSBC. And I

can't ask HSBC to refund this loss to Miss C when I don't think that it has done anything wrong.

I understand that HSBC has offered Mr Miss C £100 in respect of its handling of his complaint, I know that this will not be a satisfactory resolution for her, but as I've set out above, I won't be asking HSBC to do anymore.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 23 October 2023.

Claire Pugh
Ombudsman