

## **The complaint**

Miss T complains that HSBC UK Bank Plc ("HSBC") have failed to refund £3,279.80 she lost to a bank impersonation scam.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat everything again here. Instead, I will provide a brief summary and focus on giving the reasons for my decision.

Miss T fell victim to a scam in September 2021. She received a call at work from a scammer purporting to be from HSBC, who knew personal details such as her name, address and date of birth, so she was convinced that the caller was genuine. The scammer said that someone had stolen her debit card and was attempting to make transactions at various retailers.

Miss T realised that she had indeed lost her purse and debit card and was then told by the scammer that other transactions were being attempted, and that she would have to act quickly in order to cancel her card and protect the money in her account. The scammer said she would need to provide her PIN in order to stop the transactions. Miss T said she was put under a lot of pressure and was fearful she would lose her money, so she followed the scammers instructions and provided her four-digit code.

The scammer then used Miss T's card and PIN to complete three transactions totalling £3,279.80, which made her account enter into her overdraft. She realised she had been scammed when she called HSBC and discovered that her cards had not been cancelled.

HSBC refused to refund the money Miss T lost as it said she had disclosed her debit card PIN to the scammer, which was in breach of her account terms and conditions. However, our investigator upheld Miss T's complaint. She didn't think Miss T had acted with gross negligence by disclosing her PIN in these particular circumstances as she thought she was acting to protect her account. HSBC failed to respond with any further comments or arguments, so the matter has been escalated to me to determine.

## **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 agree with the conclusions reached by the investigator and have decided to uphold it for the same reasons. In summary:

- I'm satisfied that Miss T did not authorise the payments made from her debit card. She was tricked into disclosing her PIN, and she did not consent to the payments being made, such that they should be considered as 'unauthorised' for the purposes of the Payment Services Regulations 2017. And HSBC are aware of the relevant considerations and approach this service takes to unauthorised scams and its

obligations under the PSRs 2017, so I don't intend to repeat it all again here.

- Miss T was convinced she was speaking to HSBC as the scammer knew all her details. She was then put into a highly pressured situation where she was told she had to act immediately in order to keep the money in her account safe. This included disclosing her PIN, which she thought she was doing in order to *prevent* fraudulent payments being made from her account. She did not realise this would result in a scammer being able to make payments with her card, as she thought she was dealing with her bank. And given the information the scammer knew about her, I think it was plausible for Miss T to believe she was speaking to her bank.
- It was in this context that Miss T took the steps that she did, and I think a lot of people – when placed in a similar high pressured and stressful situation such as the one Miss T faced – would have behaved in a similar way in these circumstances. It therefore follows that I don't think the actions she took fell so far below the standards of a reasonable person, such that she could be said to have failed with gross negligence to keep her personalised security details safe or to comply with the terms and conditions of her account. So, I conclude that it would be fair and reasonable for HSBC to provide a full refund of the disputed transactions.

### **My final decision**

For the reasons given above, I uphold this complaint and direct HSBC UK Bank Plc to:

- Refund the unauthorised transactions made from Miss T's account (totaling £3,279.80).
- Pay 8% simple interest per year on this amount from the date of loss until the date of settlement.
- Refund any charges and interest applied as a result of Miss T's account becoming overdrawn by the disputed payments.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 10 July 2023.

Jack Ferris  
**Ombudsman**