

The complaint

Mrs T complains that HSBC UK Bank Plc (“HSBC”) won’t refund over £4,600 she lost to a romance scam in April 2022.

The details of this complaint are well known to both parties, so I won’t repeat everything again here. Instead, I will focus on giving the reasons for my 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 agree with the conclusions reached by the investigator and have decided not to uphold it for the following reasons:

- It isn’t in dispute that Mrs T authorised the disputed payments she made to her crypto wallets using her HSBC debit card (where her funds were subsequently transferred on to the scammer). The payments were requested using her legitimate security credentials provided by HSBC, and the starting position is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- However, I’ve considered whether HSBC should have done more to prevent Mrs T from falling victim to the scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character.
- It’s accepted that some of the payments Mrs T made were considered unusual given that they did trigger the bank’s fraud prevention systems and were automatically blocked pending further enquiry – such as the £30 payment she made on 21 April 2022, as well as the £4,500 payment on 8 May 2022. Accordingly, it’s just a question of whether the bank went far enough in all the circumstances with its interventions.
- When HSBC spoke to Mrs T about her transactions, it only asked her security questions to confirm whether it was her making the payments, which she did, and that she was making the payments of her own free will, which she confirmed she was. It didn’t ask any further questions about why she was making the payments.
- However, given the value of the payments being made, I don’t think they would’ve necessarily indicated a heightened risk of financial harm. The transactions wouldn’t have appeared unusual or out of character, for example, as I can see Mrs T had made much larger payments from her account less than 12 months prior, such as a payment for £10,000 in August 2021. So overall, I think HSBC’s intervention and line of questioning was proportionate to the risk presented in these circumstances. Even if I were to accept that HSBC *should* have asked further questions about the payments and issued Mrs T with a scam warning, I’m not persuaded this would’ve prevented the scam in any event.
- I say this because it appears that Mrs T had built up such a level of trust in her

relationship with the scammer that it seems unlikely any scam warning would have broken that spell. I note that Mrs T began to have concerns in July 2022, for example, at which point she hired a private investigator to look into the person she was talking to. Mrs T was told by the investigator that she was being scammed and that she should cease all further contact with the scammer. However, she continued to speak frequently and have a relationship with the scammer for months after, up until October 2022, despite being told by the private investigator that she shouldn't continue any further contact. Mrs T said this was in an attempt to try and recoup her money, but having seen the messages sent between the two parties, it's not clear how she was attempting to do this, as there doesn't appear to have been much by way of requests made in this regard.

- So, overall, even if I thought HSBC *could* have carried out further checks and asked more probing questions, I'm not persuaded this would have likely made Mrs T realise she was being scammed or deterred her from making the payments. As such, I don't consider it would be fair and reasonable to hold HSBC liable for failing to prevent the scam.

I appreciate this will likely come as a disappointment to Mrs T, and I'm sorry to hear she has been the victim of a cruel scam. However, I'm not persuaded HSBC can fairly or reasonably be held liable for her loss in these circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 25 March 2024.

Jack Ferris
Ombudsman