

The complaint

Mr T complains that HSBC UK Bank Plc won't refund money he lost when he was the victim of a scam.

What happened

Mr T has a current account with HSBC. In August 2022, Mr T received messages which tricked him into thinking he needed to send money to his girlfriend.

Between 19 August and 22 August, Mr T made five card payments. These were all sent to an account in his name with a money transfer service. In total this amounted to £705. Mr T funded the payments by transferring money into his HSBC account from savings held elsewhere.

From his account with the transfer service, Mr T sent the money on to the person he thought was his girlfriend. Unfortunately, this had been a scam. Mr T hadn't been speaking to the person he thought he was. He lost the money he sent.

Mr T reported what had happened to the Police and to HSBC. HSBC didn't refund Mr T's money. It said he'd made the payments. The card payments he'd made were all sent to an account in his own name.

That meant the money was only lost when he'd sent it on through the money transfer service. HSBC said this meant it wasn't responsible for the money that was lost.

Mr T wasn't happy with this outcome. He asked this service to take another look.

Our Investigator looked into everything. But the Investigator didn't think HSBC was wrong in what it said. Mr T had made these payments using his card. He'd authorised them. He knew he was making the payments. At the time, he'd wanted to make the payments.

That meant HSBC needed to send the payments as Mr T had asked. It couldn't know where he'd eventually send the money through the transfer service. The Investigator didn't think HSBC needed to refund Mr T.

Mr T didn't agree. So, I've been asked to look over everything afresh, and to reach a final decision about his complaint.

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've looked over everything to see if I think HSBC needs to refund Mr T. Having done that, I don't think HSBC needs to do so. I know this won't be the answer Mr T wants. But I can't tell HSBC to do something unless I think it was somehow to blame or did something wrong.

To start with, Mr T made the payments from his HSBC account. He knew the payments were

leaving his account. He says he'd thought he was then going to be sending the money to his girlfriend through the money transfer service. That turned out not to be true – he was being tricked. But he still wanted HSBC to make the payments. I don't think HSBC could have known it was a scam.

If the payments were very unusual for Mr T's account, then I might think it needed to step in, and maybe block the payments. But I don't think that was the case here. The payments weren't especially large for Mr T's account. There was nothing about them that would have looked surprising or out of character for Mr T's account.

That means I don't think HSBC had enough reason not to let Mr T make the payments he asked the bank to make. The bank needed to follow his instructions, and it did.

With a card payment, there is sometimes the possibility of raising a 'chargeback'. That can give some extra protection against things going wrong. But it won't always be possible to make a claim that can help.

For Mr T's payments I don't think the bank could have made a valid chargeback request. That's because the card payments first went to Mr T's own account with the money transfer service.

In other words, the card payments funded Mr T's own account. He can't have a valid chargeback claim against the money transfer company. He got what he paid for – that service used the payments to credit his transfer account. That was what Mr T had paid it to do. The loss of his money happened when he sent it on from there – but that isn't anything to do with HSBC.

There is also a voluntary code to give some protection to customers from scams. But this can't apply to Mr T's payments. That's because it doesn't apply to payments made to someone's own account. Mr T had done that here. His payment from HSBC had initially been to his own account at the transfer service.

The scam code also only applies to bank transfer payments. It doesn't apply to card payments or other payment types.

When Mr T told HSBC about what had happened, the bank tried to help. But it could never have recovered the money. That was because Mr T had already sent it all on from the transfer service (to the person he thought was his girlfriend). Unfortunately there was nothing HSBC could do to help Mr T.

Thinking about everything that happened, I don't think HSBC needs to refund Mr T. I know this will be a big disappointment to him. He's lost a lot of money. He was the victim of a crime. He was tricked into believing he was helping his girlfriend and that wasn't true. But all of this is the fault of the criminals who tricked him. It doesn't mean HSBC is to blame. And having carefully considered everything here, I don't think HSBC was at fault.

In closing, while I don't think HSBC was at fault or could have prevented what happened here, I would urge HSBC to consider whether it can offer Mr T additional scam and fraud education or put additional measures in place to protect him in future. I say this considering his having been the victim of two different scams within a relatively short timeframe. That might otherwise leave him vulnerable to follow-on scams.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 28 March 2024.

Stephen Dickie
Ombudsman