

The complaint

Ms C complains that HSBC UK Bank Plc hasn't protected her from losing money to a scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In brief summary, Ms C has explained that in April 2023 she made payments using her HSBC account totalling £450 for photography services. Ms C subsequently reported to HSBC that she'd been scammed. Ultimately, HSBC didn't reimburse or recover Ms C's funds, and Ms C referred her complaint about HSBC to us. As our Investigator couldn't resolve the matter informally, the case has been passed to me for a 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 to not uphold Ms C's complaint. I'll explain why.

There are some circumstances where a customer has been scammed where we'd expect HSBC to have prevented, or reimburse their customer for, their loss. But these are predicated on there having been a fraud or scam. So, a first consideration – in determining what I would have reasonably expected of HSBC in this case – is, was the third party Ms C paid for photography services operating a scam as Ms C alleges?

When considering whether a dispute such as this should be considered a civil dispute (between Ms C and the trader) or a scam, it's necessary to look at the intention of the trader and whether it's clear that they set out to deceive or defraud the customer. There was clearly a dispute between Ms C and the third party about the quality of work that she'd paid for. But this doesn't mean she's a victim of fraud, even if the third party didn't carry out the job with reasonable skill. And, in this case, I agree with the conclusions of our Investigator: that this is a private civil dispute, rather than a scam. It's significant the recipient bank has recently told us it has no fraud concerns with regards to its customer, and no other allegations of fraud related to the recipient account have been made. If the trader had scammed multiple people then I would've expected at least some of them to have contacted their own bank and allege fraud, as Ms C did. But this doesn't seem to have happened. I also note that the trader appears to provide photography services and did so for Ms C, even if Ms C wasn't happy with them. So, overall, I'm persuaded, as HSBC said, that this is a civil dispute between Ms C and the trader, and not a scam.

I appreciate Ms C will be disappointed, but this means I can't reasonably say I'd expect HSBC to have acted differently, in terms of her request for a refund, nor that it reasonably would have been able to recover Ms C's funds for her, bearing in mind what I've said above and how the payments were made.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 27 March 2024.

Neil Bridge
Ombudsman