

The complaint

Mr H and Mrs H have complained, via a representative, that HSBC UK Bank Plc (“HSBC”) won’t refund the money they lost to an investment scam.

Mr H seems to have been the person that interacted with the scammer, so I will mainly refer to him, even though the loss came from a joint account.

What happened

The details of this complaint are well known to both parties, so I won’t repeat everything again here.

In 2019 Mr H was asked by a scammer that, I will call B, to send it the following in relation to an investment.

Mr H made the following transfers from the HSBC account to B;

Transaction Number	Date	Amount
1	2 August 2019	£9,997.54
2	5 August 2019	£10,000
3	5 August 2019	£9,999.03
4	6 August 2019	£10,000
5	7 August 2019	£2,133.51

Mr H realised he had been scammed when he was unable to recover the money that he sent.

Our investigator did not uphold this complaint as he did not think that the payments were out of character to have prompted an intervention from HSBC. Mr and Mrs H did not agree and therefore their complaint has been passed to me to issue 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.

It isn’t in dispute that Mr H has fallen victim to a scam here, nor that he authorised the disputed payments he made to B (where his funds were subsequently transferred on to the scammers). The payments were requested by him using his 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 Mr H 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 for that account holder.

The investigator has indicated that he believed that HSBC should have intervened during the final transaction and provided a tailored written warning. But I do not agree.

I am not persuaded that the payments were of a sufficient size or were sufficiently out of character enough to have prompted an intervention from HSBC. Payments of a similar size had been frequently made in the past from the account in question and there was not enough to have put HSBC on alert that the payments could be related to a scam.

My understanding is that HSBC did a standard check on the payments but did not flag them as suspicious and based on the above I don't think that it needed to. So I don't think that HSBC could have uncovered or prevented the scam.

So overall I don't think that HSBC needed to intervene during this scam and given this, I do not think that it could have uncovered or prevented the scam. So, whilst I'm sorry to hear that Mr and Mrs H have lost large sums of money to a scammer, with the evidence I have seen, I'm unable to say that HSBC acted unfairly or unreasonably in allowing the payments to be made.

Recovery

I've also thought about whether HSBC could have done more to attempt to recover the payments after Mr H reported the fraud. However, the Contingent Reimbursement Model ("CRM") does not apply to international transfers.

Despite, I understand that HSBC did still contact the receiving bank, just in case there was a possibility that the money could be returned. but it seems to have not been able to recover the funds and in the circumstances, I don't think that it needed to do anything more.

My final decision

Because of the reasons given above, my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Ms H to accept or reject my decision before 8 April 2025.

Charlie Newton
Ombudsman