

The complaint

Ms I complains that HSBC UK Bank Plc (“HSBC”) didn’t do enough to protect her when she fell victim to a scam.

What happened

The details of this complaint are well known to both parties, so I won’t repeat them again here. Instead, I’ll summarise what happened and focus on giving the reasons for my decision.

In August 2023, Ms I made two payments totalling just over £500. She’d been led to believe that she was making a payment to recover funds lost from a previous scam. In making these card payments, to a third-party account in her own name, she believed she’d receive around £85,000.

Realising she’d been scammed, Ms I complained to HSBC. She didn’t think it had done enough to protect her and she thinks it should have raised a chargeback.

HSBC said that Ms I had authorised the payments herself and had made the payments to another account in her own name. It also said there were no chargeback rights.

Unhappy with this, Ms I complained to our Service. Our investigator considered the complaint. She didn’t think the payments would have appeared particularly unusual or suspicious. So, she didn’t think HSBC had missed an opportunity to prevent the loss. And she didn’t think a chargeback would have been successful as the funds went to an account owned by Ms I.

Ms I disagreed. She said she didn’t know about recovery scams until after it had happened. And while she authorised the payments, she didn’t know it was a scam. So, the complaint has been passed to me to decide.

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, while I’m sorry Ms I has been the victim of a cruel scam, I don’t uphold this complaint.

In broad terms, the starting position is that HSBC would be expected to process payments that a customer authorises it to make, in accordance with the Payment Services Regulations. But, taking the law, regulator’s rules and guidance, relevant codes of practice and what I considered to have been good industry practice at the time, there are circumstances where it might be appropriate for a bank to take additional steps or make additional checks before processing payments in order to help protect customers from the possibility of financial harm from fraud.

In this case, as our investigator concluded, I don’t consider that either of the payments

warranted intervention. I can see that the two payments were made in one day and that they totalled just over £500 which I don't consider to have been significantly unusual or uncharacteristic as they were for relatively low amounts. So, I wouldn't have expected HSBC to have intervened.

While Ms I spoke to HSBC to unblock her card prior to making the payments, I wouldn't have expected it to have asked her about why she wanted to do this – it wasn't an unusual request. But, even if it had, based on Ms I's testimony, I'm persuaded that she would have said what was needed to unblock the card and make the payments, as she was being coached by the scammer.

I've thought about whether HSBC should have done more in terms of recovery. But, as HSBC and our investigator have said, the payments were made to Ms I's own account. HSBC couldn't reasonably be expected to recover the subsequent payment that was then made from that account, as this was processed by a third-party account provider. So, there was no reasonable prospect of recovery.

So, I wouldn't have expected HSBC to have intervened with the payments and I don't think it could reasonably have recovered the lost funds.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms I to accept or reject my decision before 30 January 2025.

Melanie Roberts
Ombudsman