

## **The complaint**

Ms H complains that HSBC UK Bank Plc won't refund money she says she lost when she was a victim of a scam.

## **What happened**

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

In 2023 Ms H complained to HSBC about transactions she said she'd made on her account as a result of a romance scam. HSBC didn't uphold it. In short, they said:

- They understood Ms H was disputing payments debited from her account between 2 March 2020 and 14 June 2021 – totalling about £79,000. And that these transactions were made following Ms H meeting a person online – which included: Ms H moving money to her own accounts with other banks before sending funds to the third-party person, cash withdrawals made in branch and at cash machines, and the purchasing of gift cards and crypto.
- This matter had been reported to their Scams Team in July 2021. Their Complex Investigations Team reviewed it, confirming – in August 2021 – that they wouldn't be providing a refund.
- They'd reviewed Ms H's case again taking into consideration the additional evidence provided. But their position hadn't changed and so, they wouldn't be providing a refund.

Ms H referred her complaint to the Financial Ombudsman. Our Investigator didn't think HSBC had to do anything further. She wasn't persuaded Ms H had lost money to a scam. This was because, despite requesting it, our Investigator hadn't been provided sufficient evidence of the origin of the funds. Nor could she know what happened to the funds and whether they were lost to a scam – only that Ms H had purchased crypto, gift cards and sent money via a payment service provider (PSP).

Ms H asked for her complaint to be referred to an Ombudsman. She reiterated that she had been the victim of a scam and emphasised the impact this has had on her.

The matter 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.

While I'm sympathetic to the situation Ms H has found herself in, I've come to the same outcome as our Investigator and for similar reasons.

There isn't any dispute that Ms H authorised the transactions in question here. And in line with the Payment Services Regulations 2017, consumers are generally liable for payments

they authorise. HSBC is also expected to process authorised payment instructions without undue delay. But as a bank, they also have long-standing obligations to help protect customers from financial harm from fraud and scams. But those are predicated on there having been a fraud or scam. So, to start, I've considered whether Ms H has been a victim of a scam.

Ms H has provided a significant number of documents to the Financial Ombudsman in support of her claim that she has fallen victim to a scam – for this and other complaints she has raised against different financial firms. I've given Ms H's submissions very careful consideration. From this, I'm satisfied Ms H purchased crypto, gift cards and sent funds via a PSP. But I haven't seen anything to *specifically* show that these transactions (and which ones if so) were carried out in relation to a scam. So, while I've considered Ms H's testimony, I can only be satisfied that she made legitimate transactions on her account – but not that the ultimate beneficiary of the funds was a scammer.

That said, even if I were to be satisfied Ms H had fallen victim to a scam, I'm unable to establish the actual loss Ms H claims to have suffered. This is because I'm not satisfied the source of funds used in relation to some of the disputed transactions has been evidenced. Nor can I be satisfied that Ms H didn't benefit from some of the transactions (due to an absence of evidence of why they were made, along with many going to an account in her own name and withdrawn as cash). And without being able to establish the loss actually suffered (if any), I can't fairly or reasonably direct HSBC to refund Ms H the disputed transactions.

Furthermore, even if I were able to ascertain this, I'm not persuaded HSBC would be responsible for Ms H's claimed loss. This is because while there are circumstances where it might be appropriate for HSBC to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud, I can't reasonably conclude this would've made a difference. This is because I'm aware Ms H didn't disclose the true purpose of a cash withdrawal she attempted with another bank. And so, had HSBC questioned her about the disputed transactions before processing them, it's likely, on balance, Ms H similarly wouldn't have been honest about why she was making them. I appreciate Ms H says she was threatened by the scammers to not disclose the truth; but this means it would've been difficult for HSBC to establish the transactions were being made in relation to a scam. It follows that I don't think HSBC could reasonably have prevented them being made.

I know Ms H will be disappointed by this outcome. But for the above reasons, I don't think HSBC has acted unfairly by not providing a refund. As I've said, I'm not satisfied from the information I've seen that the transactions were made as part of a scam or what loss (if any) has been suffered. But even if they were made as part of a scam, I don't think HSBC should've stopped them being made - or could've reasonably prevented Ms H's claimed loss by carrying out additional proportionate checks before processing them.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 21 March 2025.

Daniel O'Dell  
**Ombudsman**