

The complaint

Ms A complains that HSBC UK Bank Plc hasn't refunded her for money she paid out of her account when she fell victim to a scam in 2022.

What happened

Ms A holds a bank account with HSBC. In October 2022, she received a call from someone claiming to be from her bank. The number they called from was the same number as an HSBC number. Ms A was told her account was at risk and she needed to move money to keep her funds safe.

Over the course of that day and the next, Ms A proceeded to follow the instructions of the caller by moving money from her HSBC account to her account with another financial firm (I'll refer to that other firm as 'R'). In doing so, she had been led to believe her money would be protected.

Once her funds had arrived in her account with R, Ms A was told to expect a call from R with instructions on how to proceed to move the money into a new protected bank account with HSBC.

She followed the caller's instructions and moved her funds out, but when she later visited an HSBC branch as she'd been instructed by one of the callers, it came to light that this had all been an elaborate scam. None of the callers Ms A had spoken to were in fact who they'd claimed to be, and her money had not been transferred to a new HSBC account.

HSBC investigated this fraud (known as an Authorised Push Payment fraud or APP scam). It said it would not refund Ms A for the money she'd lost.

The bank said that because the payments Ms A had sent from her HSBC account had been initially received in another of her own accounts, there had been no loss due to those payments. The loss had only occurred when Ms A had moved the money from R to an account controlled by the scammer. Any claim for reimbursement needed to be directed to R.

HSBC said it had not been at fault in allowing Ms A to make the payments to her other account. It thought these payments had not been unusual for her typical account activity. She'd paid that account before. It had had no reason to intervene, and had been obligated to carry out Ms A's payment instructions.

Ms A didn't accept this and referred her complaint to this service for an impartial review.

Our investigator looked into what had happened on Ms A's complaint about HSBC. The same investigator also considered Ms A's complaint about R. On the complaint made about R, the investigator recommended that R should partly reimburse Ms A. Ms A and R both agreed with the investigator's findings and that complaint was settled accordingly.

On Ms A's complaint about HSBC, the investigator thought HSBC should have taken action

to intervene in the payments Ms A was making. She thought the amounts were significantly higher than Ms A had ever previously sent to her account with R. But the investigator said that even if HSBC had taken steps to find out more about the payments before processing them that wouldn't have stopped the scam.

She noted that when R had contacted Ms A and asked a series of questions about the payments she was sending on from there, Ms A had been coached through what to tell R by the scammers. That had meant R had not been able to identify the true situation or the underlying scam that was taking place. If HSBC had asked questions, the investigator therefore thought it likely the same would have happened – Ms A would have been told what to say by the callers, and so HSBC would not have been able to uncover the scam.

With all this in mind, the investigator said that she didn't think HSBC could have prevented what had happened. While she thought it should have taken additional steps, these would not have made a difference, and so HSBC had not caused Ms A's subsequent losses. She didn't think HSBC needed to refund Ms A.

Ms A was disappointed with the investigator's findings. I've therefore been asked to review her complaint about HSBC afresh and reach 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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant law and regulations, regulators' rules, guidance and standards, codes of practice; and, where appropriate, what I consider to be good industry practice at the time. Where the evidence is incomplete or missing, I make my findings based on a balance of probabilities — in other words what I consider is most likely given the information available to me.

I have considerable sympathy for Ms A and what has happened to her. She was the victim of a cruel and manipulative scam. This was a crime, and Ms A is the innocent victim, losing a significant sum of money. She has detailed the considerable impact the crime had on her then and subsequently. I am truly sorry to hear about what happened to her here. I do not underestimate the effect this will have had on her. I have taken everything she's explained into account.

However, while I have natural sympathy for Ms A in what happened, I have to recognise that the principal cause of her losses here were the criminal scammers.

I cannot hold HSBC liable for the resulting financial losses unless I find HSBC was somehow at fault in what happened, and – crucially – that the loss was a direct consequence of that fault.

In broad terms, as a starting point in law, HSBC has an obligation to carry out payment instructions given to it by its customers. In short, a customer will normally be presumed liable for payments they instruct their bank to make on their behalf.

Some reimbursement schemes exist to provide additional protection to customers from the financial impact of scams; however, these don't apply to all scam payments. Ms A's payments aren't covered by the Lending Standards Board's Contingent Reimbursement Model Code (the CRM Code) which was in force at the time. The CRM Code had no

application to payments paid to a customer's own account held elsewhere (as happened here). Neither do the PSR's recently introduced reimbursement rules apply in those situations (nor, in any, event are those new rules retrospective).

However, all that being said, this is not the end of the matter. As a matter of good industry practice, I consider it is fair and reasonable to expect HSBC to have been on the look-out for the possibility of harm through fraud, and further, to have taken additional steps or made additional checks, before processing payments in some circumstances. HSBC's account terms and conditions provided for this at the relevant time.

Where a payment, or series of payments, was significantly out of character or unusual for an account, or where there were other features that might have prompted concerns of fraud or a scam that means I'd expect HSBC to have intervened in a proportionate way to establish more information about the circumstances.

Arguably, HSBC need not have had any cause for concern about the payments Ms A was asking it to make. She'd previously paid her account with R. HSBC therefore had confidence that in making a payment to R, Ms A was not directly at risk of losing the money – she was paying another account she owned.

That being said the size and frequency of the payments she made as a result of the scam do stand out. If someone was legitimately moving money between their accounts (perhaps to secure a better interest rate or for a variety of other legitimate reasons) it seems hard to explain why they would do so in multiple payments over the course of two days rather than in a single larger payment. While HSBC couldn't have known from this what was really prompting the payments, they do stand out as being indicative of the risk of fraud or a scam.

But even where a fault is established (such as a failure to ask Ms A further questions about the transactions she was attempting) I cannot simply conclude that makes the party at fault responsible for a later financial loss. Put another way, I cannot overlook the question of causation. I must determine whether, if HSBC had acted as I'd expect it to have done in the circumstances, this would have resulted in the prevention of the scam. If it wouldn't have stopped the payments then the fault didn't result in the harm suffered by Ms A and I couldn't fairly hold HSBC liable to refund her.

That means I have to consider what I think might have happened if HSBC had intervened by asking Ms A additional questions about the payments she was making. That is a hypothetical situation – I accept that. But the outcome of such an intervention is a hypothetical scenario, whether it does or doesn't result in the prevention of the eventual loss. As I mentioned earlier, when I'm faced with an uncertain situation (including one where I am required to decide what might have happened in a different set of circumstances), I am required to reach my findings based on the balance of probabilities. In other words, I need to consider what I think is most likely to have resulted given the information and evidence available to me.

Had HSBC intervened (as R subsequently did) and asked Ms A a few additional questions about the payments she was making, I think it most likely that (as happened with R) Ms A would have been prompted in what responses to give by the scammers. There is no reason for me to think this would have been different than it was when R attempted the same. Once HSBC had been (falsely) reassured the payments being made were not untoward in nature, I'd not necessarily have expected it to make any further interventions. Unfortunately, as happened with R, that prompting by the scammers would have had the result of hiding the true situation from HSBC. With that in mind, I don't think the bank would reasonably have been able to uncover the scam that was unfolding in the course of making a proportionate intervention.

It follows that HSBC would have had no grounds to refuse the withdrawals that Ms A was instructing the bank to make.

In saying the above, I accept I cannot know with any certainty what did happen. But as I've noted above, I am required to reach my findings on the balance of probabilities, and I consider it more likely than not, that a proportionate intervention by HSBC would not have made a difference here – the answers it would have been given would have been the result of what the scammers had prompted and the payments would most likely have ended up being made.

To reiterate, I am extremely sorry to hear about what happened to Ms A. She has lost out to criminal scammers through no obvious fault of her own save for giving them her trust. The scammers were extremely manipulative, and including tricking Ms A into giving an incorrect explanation of the payments to R. She has suffered hugely in consequence. But I do not find HSBC could reasonably have prevented Ms A losses (or later recovered the funds she paid out given she had initially paid her own account with R). All considered, that means I can't fairly ask HSBC to refund Ms A for her losses.

My final decision

For the reasons given above, I do not uphold Ms A's complaint about HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 28 October 2025.

Stephen Dickie
Ombudsman