

The complaint

Miss K complains that HSBC UK Bank Plc (“HSBC”) 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, Miss K has explained that in March to May 2023 she made a number of payments totalling almost £14,000 from her HSBC account as a result of what she thought was a legitimate investment. Miss K subsequently realised she’d been scammed and got in touch with HSBC. Ultimately, HSBC didn’t reimburse Miss K’s lost funds, and Miss K 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 Miss K’s complaint for materially the same reasons as our Investigator.

I’m sorry if Miss K has been scammed. Ultimately, however, Miss K has suffered her loss because of fraudsters, and this doesn’t automatically entitle her to a refund from HSBC. It would only be fair for me to tell HSBC to reimburse Miss K her loss (or part of it) if I thought HSBC reasonably ought to have prevented the payments (or some of them) in the first place, or HSBC unreasonably hindered recovery of the funds after the payments had been made; and if I was satisfied, overall, this was a fair and reasonable outcome.

I’m satisfied Miss K authorised the relevant payments. HSBC would generally be expected to process payments a customer authorises it to make. And under The Payment Services Regulations and the terms and conditions of the account, Miss K is presumed liable for the loss in the first instance, in circumstances where she authorised the payments. That said, as a matter of good industry practice HSBC should have taken proactive steps to identify and help prevent transactions – particularly sufficiently unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there are many payments made by customers each day and it’s not realistic or reasonable to expect HSBC to stop and check every payment instruction. There’s a balance to be struck between identifying payments that could potentially be fraudulent, and minimising disruption to legitimate payments (allowing customers ready access to their funds).

And in this case, because of this balance that needs to be struck, I’m not persuaded that I could fairly say that I’d reasonably expect HSBC to have intervened in any of Miss K’s payments in this particular case, before following Miss K’s instructions to make them.

The payments for £2,500 or less, spaced as they were, just wouldn’t, in the context of this case and Miss K’s account, reasonably have looked concerning to HSBC in a proportionate fraud and scams monitoring context. And whilst Miss K later made some larger payments –

in particular a payment of £4,950 on 30 March 2023 and then a payment for £4,000 on 9 May 2023, I'm still not persuaded I could fairly say these ought to have alerted HSBC. Miss K had made international card payments before. And the balance and historical usage of Miss K's account meant the context of these instructions, including the spacing of them, was such that it wouldn't be reasonable to say HSBC ought yet to have been sufficiently concerned by them. I appreciate Miss K's representative feels differently about this and I've considered everything it's said in response to our Investigator's assessment, but for the reasons explained, and the balance and context that should fairly be taken into account, I agree with the Investigator's conclusions in this case. I'm therefore not persuaded I could fairly say HSBC unreasonably failed to intervene in and prevent these payments.

All these payments were made by debit card, and I also agree with the Investigator that unfortunately, given the circumstances of this case, I can't fairly say there would be anyway in which I'd expect these funds to have been recoverable by HSBC on this occasion, such that I can't fairly say HSBC unreasonably hindered recovery of the funds, nor therefore that it can fairly be held responsible for Miss K not being able to recover the funds.

I'm sorry if Miss K was scammed and lost this money. But despite my natural sympathy, I can't fairly tell HSBC to reimburse her in circumstances where I'm not persuaded it reasonably ought to have prevented the payments or to have recovered them.

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 Miss K to accept or reject my decision before 29 May 2025.

Neil Bridge
Ombudsman