

The complaint

Mr W complains that HSBC UK Bank Plc trading as first direct ("First Direct") hasn't protected him from losing money to scammers.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In brief summary, Mr W has explained that from November 2022 to the early 2023 he made numerous payments from his First Direct account as a result of being scammed. Ultimately, First Direct didn't reimburse Mr W's lost funds, and Mr W referred his complaint about First Direct 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.

I've focused on what I think is the heart of the matter. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I've decided to not uphold Mr W's complaint, as I agree with the Investigator's conclusions for the following reasons:

- I don't doubt Mr W has been the victim of scammers here. However, this doesn't automatically entitle him to a refund from First Direct. It would only be fair for me to tell First Direct to reimburse Mr W his loss (or part of it) if I thought First Direct reasonably ought to have prevented the payments (or some of them) in the first place, or First Direct unreasonably hindered recovery of the funds after the payments were made; and if I was satisfied, overall, that this was a fair and reasonable outcome.
- However, as our Investigator has explained, First Direct did intervene in some of the payments Mr W instructed, as did other banks Mr W also instructed payments from as a result of the same scammers. But the evidence shows that Mr W wasn't upfront about things. And I'm not persuaded that even if First Direct's interventions had gone further, that proportionate and reasonable intervention would likely have prevented Mr W's loss.
- I say this for materially the same reasons as our Investigator explained. Mr W wasn't forthcoming about the true purpose of his payments. Instead, I'm persuaded that Mr W was unfortunately under the spell of the scammers. The WhatsApp messages exchanged between Mr W and the scammers persuade me he would have been intent and set on making these payments and circumventing First Direct's checks

and warnings, such that I can't fairly say First Direct unreasonably failed to prevent Mr W making these payments and losing this money. I'm also not persuaded it would be fair to expect First Direct to refund the first of the payments under the CRM code for the same reasons as our Investigator explained.

- I'm not persuaded there were any reasonable prospects of First Direct successfully recovering the funds when Mr W reported that he'd been scammed, given the funds had been converted into cryptocurrency and lost to scammers already by then; and any funds sent directly to the scammers likely wouldn't reasonably have been recoverable by then.

I've thought about everything that's been said. But these points haven't changed my mind. I'm sorry Mr W was scammed. But I can't fairly tell First Direct to reimburse him in circumstances where I'm not persuaded it reasonably ought to have been expected to have been able to prevent his loss.

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 Mr W to accept or reject my decision before 6 October 2025.

Neil Bridge
Ombudsman