

## **The complaint**

Mrs W and Mr W complain they were scammed by a rogue trader and HSBC UK Bank Plc ('HSBC') won't reimburse them.

They're being represented. To keep things simple, I'll refer to Mr W throughout this decision.

## **What happened**

The background is known to both parties. I won't repeat all the details here.

In summary, in around April 2024, Mr W made several payments to a building contractor (I'll call 'X') totalling over £50,000. He says the work was initially for a relatively small job and then turned into him needing to have the entire roof removed and replaced.

Although the work was completed, Mr W says a subsequent inspection, by an independent contractor, confirmed a new roof wasn't required. The roof was not in such a state of disrepair and he was overcharged for work that should have cost significantly less.

He's provided a number of other reasons as to why he believes X was a scam – including that X may have been posing as other genuine contractors operating in the area, that X is known to Trading Standards and the Police; and that its vehicle had been flagged for similar fraudulent activities. He also says X didn't follow relevant regulations; didn't provide quotes for goods and services or the total price for the work; and that while he was later able to negotiate a significant refund of what he paid, that's not how genuine businesses operate.

HSBC declined Mr W's complaint on the basis that this wasn't a scam but a civil dispute between two parties. Our Investigator considered the complaint and didn't uphold it. In her view, there wasn't enough to say X set out to defraud Mr W when the payments were made, particularly when there's no dispute Mr W received the service as expected.

As the matter couldn't be resolved, it's 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, I've decided not to uphold it for similar reasons as the Investigator.

There's no dispute Mr W authorised the payments from his HSBC account. Under the Payment Services Regulations 2017, that means he's presumed liable for them in the first instance. And while I agree HSBC should have been on the lookout for suspicious payments to help protect its customers from the risk of fraud and scams (and was a signatory to the Contingent Reimbursement Model Code), before I consider if and how such expectations come into play, I must first consider whether Mr W was likely the victim of fraud.

To be satisfied Mr W was the victim of fraud, I'd need to be convinced that X had a settled intention to scam him. In practice, this means thinking about what Mr W thought the purpose

of the payments was and if that was materially different to that of X. I can't know what was in the mind of X at the time. But it's agreed Mr W thought he was paying for a new roof.

I'm mindful of what Mr W has said about how he was approached, that he says the work wasn't needed, and that no contact details or quotes were provided. I can accept, taking his testimony at face value, that aspects of X's behaviour might fairly be described as unethical and unprofessional. At the same time, there's simply not enough for me to find X was intent on scamming Mr W in relation to the payments. I note Mr W has referred to an independent report by another contractor suggesting the level of work wasn't required. I've not been provided with that report. But I'm not sure how much weight I can realistically place on an assessment about what was required, after work had already been completed (and given Mr W doesn't seem to have obtained earlier quotes from any other contractors).

There is little from Trading Standards or the Police to show X was a scam. They're taking no action. Fundamentally, there's no dispute the work Mr W thought he was paying for was completed. There are no concerns around quality. I've listened to the calls with X when negotiating a refund. At points X cites increase in costs of labour and materials. It agrees a refund saying it wasn't necessary to involve the Police and it didn't want bad publicity to affect trade. And while X's agreement to repay half of what Mr W had paid can probably be taken either way, it's generally unlikely for a fraudster to agree to such a refund.

I can again accept there may be questions over how X operated. That may well speak to poor practices. It doesn't necessarily mean there was an intent by X to defraud Mr W and take his money without any intention to carry out the work. I can't make that finding when we know the work was completed. The intentions and purpose of the payments matched. I can't uphold Mr W's complaint on the basis that what he paid may have been significantly out of line with market prices. A dispute over price here is a civil matter rather than a scam. For completeness, civil disputes are excluded from the CRM Code's definition of an APP scam.

I note Mr W's says he may have been 'helped' in some way by X when making payments. I don't think that's enough for me to infer X was intent on scamming him. I also note Mr W says he may have lost track of payments and amounts he was spending. I'm not persuaded that's something for which I can reasonably hold HSBC responsible. I understand he could access his banking *app* and normally used it to check his balance. I see no reason why he couldn't have done so here at any point during the relevant period.

I appreciate Mr W considers that HSBC should have identified a payment risk and should have intervened to find out more about the surrounding circumstances – and that, if it had, then things may have played out differently. But there's no expectation for HSBC to step in on payments that, as I've found here, are legitimate or to protect its customers from a 'bad deal'. I don't underestimate the experience Mr W says he's been through. I can appreciate his concerns. However, on the evidence, this is more likely than not a civil dispute. HSBC isn't required to provide a refund in such circumstances and I'm not persuaded there were other significant failings on its part that would otherwise lead me to uphold this complaint.

## **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W and Mr W to accept or reject my decision before 22 August 2025.

Thomas Cardia  
**Ombudsman**