

The complaint

Mr M has complained that HSBC UK Bank Plc (“HSBC”) failed to protect him from falling victim to a romance scam.

What happened

The background of this complaint is already known to both parties, so I won’t repeat all of it here. But I’ll summarise the key points and then focus on explaining the reason for my decision.

Mr M says that in early 2023 he met a woman (“the scammer”) through a dating website who told him she was French but living in West Africa. Over the course of a year, they exchanged daily text messages and spoke frequently by video call. Mr M says the frequent interactions gave him confidence that the scammer was genuine. Mr M says that the scammer shared extensive personal details about herself and her family, and she also spoke of moving to the UK to start a life with him and have a future together.

A few months into their conversations the scammer asked Mr M for financial assistance to draft her will, claiming she lacked the funds, but promised to repay him once she moved to the UK. On 24 February 2023, Mr M transferred £3,309.50 to her for this purpose. Over the following days, Mr M was convinced by the scammer to make additional payments as the costs allegedly increased, so he sent £674 on 27 February 2023 and £205 on 28 February 2023.

The scammer later requested money for plane tickets to facilitate her move to the UK. Between March and December 2023, Mr M made a further 30 debit card payments to two high street money transfer services, destined for the scammer. In total Mr M made 34 payments to the scammer, totalling £30,691.25. The transactions ranged between £90 and £3,309 in size. Mr M has had 12 of the payments refunded by the two separate merchants, and his remaining loss is £19,991.06.

In December 2023 the scammer told Mr M she couldn’t travel to the UK due to an accident in France that had left her hospitalised. She sent photographs as evidence, but Mr M noticed the images appeared to be digitally altered. Mr M says that when he questioned her, she denied any manipulation, and it was clear that she was attempting to come up with varying reasons not to go ahead with her plans to visit him.

During their relationship, Mr M says he conducted research to verify the scammer’s identity. He found what appeared to be legitimate social media profiles on several platforms, featuring photos of the scammer with friends and family. She also sent additional documents, including plane tickets and ID cards, all of which appeared genuine.

Mr M says he eventually realised he’d been scammed and reported the matter to HSBC. In his complaint Mr M said he hadn’t received any warnings from HSBC during the payments, which he believed could have helped him identify the scam. HSBC didn’t uphold Mr M’s complaint on the basis that the payments were authorised, and it also said its systems didn’t

detect the transactions in question as suspicious as they didn't match the typical type of transactions it was seeing as fraudulent.

Mr M remained unhappy so he referred the complaint to this service.

Our investigator considered everything and didn't think the complaint should be upheld. She explained she didn't think the payments stood out as particularly unusual or suspicious, nor that HSBC should've detected that they may've been fraudulent.

As Mr M didn't accept the investigator's opinion, the case has been passed to me to make 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'm sorry to disappoint Mr M but having considered everything I'm afraid I'm not upholding his complaint, broadly for the same reasons as our investigator, which I've set out below.

In broad terms, the starting position is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case it's not in question whether Mr M authorised these payments from leaving his account. It's accepted by all parties that Mr M used his debit card to make the payments, and HSBC made the payments in line with Mr M's wishes, and in line with the terms and conditions of Mr M's account.

But that doesn't always mean that the business should follow every instruction without asking further questions or intervening to ensure requests coming from their customers are firstly genuine, and secondly won't result in harm.

HSBC says it didn't intervene before any of the payments were made. It says that the transactions didn't appear particularly unusual or suspicious to it as Mr M had used the same money transfer service a number of times in the year before the scam payments, and he'd also made several large cash withdrawals from his account. It also says Mr M made two large debit card payments in February 2023.

Having carefully reviewed everything I understand the distress caused by losing money to fraud, and I'm sorry for the impact this has had on Mr M. But based on the information available I don't think HSBC could reasonably have been expected to prevent the payments he made.

I've considered Mr M's account activity over the twelve months before the disputed payments. During this period, Mr M made large withdrawals and transactions, including £12,000 in March 2022, £7,000 in May 2022, £4,200 in June 2022, and £10,000 in January 2023. He also made card payments of £1,491.60 and £2,416 in February 2023. Given this pattern, the disputed payments were consistent with his usual account activity and didn't stand out as unusual or suspicious to HSBC.

Although I note that Mr M made multiple payments on some days, the individual amounts were not particularly high, nor were the cumulative totals large enough to raise concern – the maximum cumulative value in one day was £2,800. Additionally, Mr M had previously made payments to the two legitimate merchants that he paid as part of this scam, who he used to

transfer the funds to the scammer. These beneficiaries were already established on his account, so payments to them wouldn't have appeared unusual.

HSBC has confirmed that the payments didn't trigger any alerts in its fraud detection system, and Mr M didn't interact with HSBC staff at the time any of them were made. This means the bank didn't have an opportunity to intervene or identify that the payments were connected to a scam, nor do I think it ought to have.

In summary, having carefully considered everything, I'm satisfied that the payments didn't show signs of being suspicious or unusual based on Mr M's account activity. As such, I don't think HSBC could reasonably have been expected to prevent them from being made, and I don't think it ought to have been aware that Mr M was falling victim to the scam that he's now complained about.

Recovery of the funds

As Mr M made the transactions in question using his HSBC debit card the chargeback process is relevant here.

HSBC says it didn't raise chargebacks for the transactions as it deemed Mr M was responsible for them, and as it hadn't upheld his complaint.

I wouldn't expect HSBC to raise a chargeback unless it had a reasonable prospect of success, and I don't think that's the case here. The chargeback process is in place to recover funds where the goods or services paid for weren't provided or weren't as described. In this case Mr M paid the merchants to transfer money to what he now knows was a scammer. So although the final destination of the payments wasn't legitimate or as Mr M expected, the merchants provided the services Mr M paid for.

Mr M's dispute is with the scammer, not the merchants, and on this basis it's unlikely any chargeback claims would've been successful. So it's not a route that I'd have expected HSBC to take.

I'm very sorry that Mr M has fallen victim to this scam and I do understand that my decision will be disappointing. But for the reasons I've set out above, I don't hold HSBC responsible for that.

My final decision

I don't uphold Mr M's complaint against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 31 December 2024.

Sam Wade
Ombudsman