

## **The complaint**

Mr B has complained HSBC UK Bank Plc failed to sufficiently intervene causing him to fall victim to an authorised push payment (APP) investment scam.

## **What happened**

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. In summary, Mr B says he fell victim to an investment scam that he thinks could have been prevented had HSBC stopped him from making the payments. He is seeking to now recover his losses from his bank.

In response, HSBC said that it did intervene and does not think it should be liable for Mr B's losses. It considers this a civil dispute between Mr B and the company he invested with.

Our Investigator did not uphold the complaint as he did not believe any further interventions, even with appropriate warnings, by HSBC would have prevented Mr B making payments. Nor did he think HSBC would have been able to uncover the alleged scam.

However, Mr B disagreed with this and maintained his stance that HSBC could have prevented his losses. So, the complaint 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'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. 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 am sorry to learn of Mr B's loss of funds. However, it would only be fair for me to tell HSBC to reimburse him for his loss (or a proportion of it) if: I thought HSBC reasonably ought to have prevented all (or some of) the payments he made, or HSBC hindered the recovery of the payments he made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether HSBC treated Mr B fairly and reasonably in its dealings with him, when he made the payments and when he reported his concerns to it, or whether it should have done more than it did. Having done so, I've decided to not uphold Mr B's complaint. I know this will come as a disappointment to him and so I want to explain why I've reached the decision I have.

In broad terms, the starting position at law is that banks such as HSBC are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and

conditions of the customer's account. However, taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice HSBC should take steps to identify and where possible prevent sufficiently unusual or uncharacteristic payments to help protect its customers from financial harm resulting from fraud.

Whether someone has been scammed or the matter is a civil dispute can be finely balanced. In this instance Mr B accepts he knowingly made the payments to the alleged scammers, so they are authorised. At the time of the transfers Mr B was under the belief it was, which it may well have been, a legitimate investment through a genuine firm registered with Companies House. Mr B had been supplied with a lot of paperwork, including share documentation, and even met with one of the company's representatives in person on multiple occasions. I've also not seen from any research Mr B may well have completed that it would have led to the discovery of any active warnings about the alleged scammers at the time of most of his payments. It was only from circa September 2023 that the firm was listed on the police investigation page. By this later point, the firm would have been an established payee and there would have been less concern around the payments – from both parties' perspectives.

HSBC could have given Mr B more general fraud and scam advice, in relation to investing in particular, when he made the earlier payments. But ultimately, I do not think I can fairly say it would have been able to give Mr B any information that would have led him to doubt what he was doing, including if he'd undertaken further reasonable research at the time. So, even if Mr B had been questioned in more detail about the investment, I do not think it would have highlighted anything that would have caused concern or led HSBC to believe Mr B was at risk of financial harm from fraud or a scam. Mr B would have informed HSBC he was dealing with a registered company, he had met with one of the representatives on multiple occasions and received documentation from them. Such circumstances are not typical of a scam and would have portrayed to HSBC the company was providing legitimate services (at least at that point).

Consequently, even if I was persuaded this was a scam from the outset, I do not think HSBC could have prevented Mr B's losses. I say this because I do not think any intervention when Mr B started making these payments could have uncovered a potential scam; or even prevented Mr B from wanting to make the payments. I am persuaded Mr B's belief in the investment would have impacted how he would have responded – as can be heard within the telephone calls Mr B had with HSBC. In one such call Mr B was very clear that he wanted to proceed and, as he was authorising it, his request should be completed. Additionally, even when Mr B's payments were prevented by HSBC, he reverted to the alleged scammers to find another way to make the payments. I see no reason why this wouldn't have continued.

I've reviewed the official organisations that publish warnings about merchants that operate in the UK and abroad, to check if there were any warnings about the firm that ought to have triggered HSBC's fraud prevention systems. I've searched the Investor Alerts Portal of the International Organization of Securities Commissions, the international body that brings together the world's securities regulators. As well as the Financial Conduct Authority (as the UK regulator) which has its own warning list in place to share alerts and insight about merchants that have been identified as potentially being fraudulent or at risk of scamming individuals. There were no such warnings about the firm, so it would have looked like Mr B was just making payments to a genuine accountancy.

Ultimately, I'm persuaded Mr B's belief in the investment, and trust he had in the alleged scammers, no doubt impacted his approach to HSBC's questions. Therefore, although I am sorry to hear of Mr B's losses, on balance I think had HSBC tried to prevent him from completing his payments he would have done so via another means. I also do not think

HSBC would have been able to uncover any potential scam.

### Recovery

The only method of recovery HSBC would have had for payments made by card is to request a chargeback. However, generally investment disputes such as this are not covered within the scheme rules and so I do not think HSBC would have had a reasonable prospect of success of recovering Mr B's funds. Therefore, I won't be asking HSBC to do anything further.

### **My final decision**

My final decision is I do not uphold this complaint against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 15 August 2025.

Lawrence Keath  
**Ombudsman**