

The complaint

Mr B complains that HSBC UK Bank Plc (HSBC) is refusing to refund him the amount he lost as the result of a scam.

Mr B is being represented by a third party. To keep things simple, I will refer to Mr B throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr B had lost his job and business partner when he came across an online advertisement promoting a trading platform I will call "X". Mr B dealt with various contacts from X but for ease I will refer to all contacts as X. X promised moderate returns using AI.

Mr B completed an online form with his personal details and was contacted by X shortly after. Mr B was then assigned an account manager with X and communication continued mostly via a popular messaging application.

X helped Mr B setup various accounts that were required to proceed with the investment and Mr B started investing relatively small amounts, that then led to larger amounts as his confidence grew. X then advised, and helped Mr B take out multiple loans to fund further investment, that it promised would be paid back within 24 hours.

Mr B was advised by X that when he took the loans, he shouldn't provide the loan purpose as "investment" as it was less likely they would be approved.

Having received receipts from X that Mr B didn't think looked legitimate he realised he had fallen victim to a scam.

Mr B has disputed the following payments that are related to the scam:

Payment	Date	Payee	Payment Method	Amount
1	5 October 2023	AT Visions	Debit Card	£197
2	10 October 2023	MFI Markets	Debit Card	£1,000
3	13 October 2023	TRS Instant	Transfer	£1,503
4	24 October 2023	Mr B	Transfer	£20
5	24 October 2023	Mr B	Transfer	£2,001
6	9 November 2023	Mr B	Transfer	£9,997
7	13 November 2023	Mr B	Transfer	£9,998
8	13 November 2023	Mr B	Transfer	£12,987
9	14 November 2023	Mr B	Transfer	£12,012
10	15 November 2023	Mr B	Transfer	£12,550
11	16 November 2023	Mr B	Transfer	£12,450
12	20 November 2023	Mr B	Transfer	£9,500
13	21 November 2023	Mr B	Transfer	£8,000

14	23 November 2023	Mr B	Transfer	£7,500
15	28 November 2023	Mr B	Transfer	£7,490
16	30 November 2023	MFAIR IN	International Payment	£9,863
17	1 December 2023	MFAIR IN	International Payment	£15,530
18	4 December 2023	MFAIR IN	International Payment	£10,790
19	8 December 2023	MFAIR IN	International Payment	£10,790
20	11 December 2023	MFAIR IN	International Payment	£4,210
21	20 December 2023	MFAIR IN	International Payment	£12,504
22	27 December 2023	VIK TSF PRO	International Payment	£11,331
23	2 January 2024	VIK TSF PRO	International Payment	£13,173

Our Investigator considered Mr B's complaint and didn't think it should be upheld. Mr B disagreed, so this complaint has 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.

It has not been disputed that Mr B has fallen victim to a cruel scam. The evidence provided by both Mr B and HSBC sets out what happened. What is in dispute is whether HSBC should refund the money Mr B lost due to the scam.

Recovering the payments Mr B made

Mr B made the above listed payments in relation to the scam via his debit card, transfer and international transfer. When payments are made by card the only recovery option HSBC has is to request a chargeback.

The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. The card scheme operator ultimately helps settle disputes that can't be resolved between the merchant and the cardholder.

Such arbitration is subject to the rules of the scheme, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid and potentially succeed. Time limits also apply.

Unfortunately, Mr B made his complaint to HSBC about the payments that were made by card outside of the allowed time to raise a chargeback and therefore HSBC has been unable to attempt a chargeback for those payments.

When payments are made by transfer and international transfer to other accounts HSBC has even more limited options available to recover the payments. When payments are made in relation to a scam it is common for the funds to be moved on by the scammer swiftly. So, while I have not seen any evidence that HSBC attempted to recover these payments, I don't think this was unreasonable as I think it's most likely the funds would have been moved on by the scammer by the time the payments were disputed.

For the payments Mr B made to accounts in his own name, these would not require recovery. Any funds that did remain in those account would remain within Mr B's control and would therefore not be lost to the scam.

With the above in mind, I don't think HSBC had any reasonable options available to it to recover the payments Mr B has disputed.

Should HSBC have reasonably prevented the payments Mr B made?

It has been accepted that Mr B authorised the payments that were made from his account with HSBC, albeit on X's instruction. So, the starting point here is that Mr B is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether HSBC should have been aware of the scam and stepped into question Mr B about the payments he was making. And if it had questioned Mr B would it have been able to prevent the scam taking place.

While the first five payments Mr B made in relation to the scam were not so significant in value that I think HSBC should reasonably have had concerns that Mr B might be at risk of financial harm. Mr B went on to make multiple larger payments to accounts in his own name any other accounts that weren't in his name.

I think the larger payments should have caused HSBC concerns and it should have intervened. However, I don't think it would have made a difference if HSBC did intervene when Mr B made any of the disputed payments. I will explain why.

When Mr B made payment 3 HSBC intervened and a call between Mr B and HSBC took place. During this call HSBC questioned Mr B about the payment and Mr B confirmed:

- He had initiated the payment
- He was making the payment in relation to a service
- He had not been contacted by anyone to make the payment
- He was making the payment in relation to consultancy service he had already received
- He had received the payment details via an invoice sent by email and post
- He had checked the payment details over the phone
- The payee wasn't on company's house because it was a sole trader
- He knew a friend that worked for the company
- He was happy with the service he had received from the payee

A second call took place between Mr B and HSBC when Mr B attempted payment 5 to an account in his own name. Mr B confirmed:

- He was setting up a new business
- The payment was being made to an account in his own name
- The payment to the other provider was to be used for a number of potential services including changing funds for travelling
- He had not been instructed by anyone to make the payment

When Mr B made payment 16 a further call between Mr B and HSBC took place, Mr B confirmed:

- He had selected the reason for the payment as "goods and services"
- He had recently set up a business and was paying for consultancy services
- He wanted reassurances that further payments would not be stopped
- He had received some of the services already and had an ongoing relationship with the payee
- He became aware of the payee as he had contact with the same business in a previous role

- He received the bank details speaking over the phone with his contact at the consultancy

It's clear from the conversations that Mr B had with HSBC that he was willing to provide false information to have the payments in relation to the scam processed. Providing false information to HSBC would have made it very difficult for HSBC to uncover the scam that was taking place and from the answers Mr B gave HSBC it would not have been possible for HSBC to have known the true circumstances of the scam.

With the above in mind, I don't have enough to say that Mr B would have given any more honest responses had HSBC intervened when any of the other payments were made. So, I don't think HSBC missed an opportunity to prevent the scam and it is not responsible for Mr B's loss.

I appreciate that Mr B feels the activity on his account was unusual and given the payments that were made in relation to the scam HSBC should have done more to protect him. But I think HSBC did provide proportionate interventions when some of the payments were made, and for the reasons I've explained above, I don't think HSBC is responsible for Mr B's loss, so I won't be asking HSBC to refund the payments Mr B has disputed.

My final decision

I don't uphold this complaint.

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

Terry Woodham
Ombudsman