

The Complaint

Ms M complains HSBC UK Bank Plc won't refund money she lost to a scam.

A representative who I will call "C" complains on behalf of Ms M.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

In 2022, Ms M met an individual on a dating site and formed a romantic relationship with them. The individual asked Ms M to send them money and, between June 2022 and July 2023, Ms M made multiple payments totalling over £154,000.

HSBC reviewed Ms M's complaint and decided to reimburse her £76,629.57 to cover 50% of her losses, from the second payment onwards, as they feel they could have done more to highlight the scam.

C brought Ms M's complaint to our service. Our Investigator looked into everything and, while she agreed HSBC could have done more, she didn't think they should refund the full amount Ms M lost given the level of intervention from HSBC and Ms M's responses.

Ms M didn't agree and so the complaint has been passed to me for review.

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, it's because 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 as it simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Ms M has been the victim of a scam here – she has lost a large sum of money and has my utmost sympathy for this given the circumstances. However, just because a scam has occurred, it does not mean that she is automatically entitled to a full refund from HSBC. It would only be fair for me to tell them to reimburse Ms M in full if I thought that she shouldn't be held partly responsible for what happened. I know Ms M will be disappointed but, for the reasons I'll explain, I think HSBC's offer to refund 50% is fair.

HSBC have accepted they could have done more to protect Ms M from the scam at the time. And I agree. I therefore don't intend to focus on that further here. But what I do need to decide is whether it is fair for HSBC to deduct 50% due contributory negligence on Ms M's part in what happened.

From the information provided, I can see that HSBC got in touch with Ms M ten times to discuss the payments she made. They also asked her to go into branch as part of their fraud prevention checks. Each time, Ms M misled HSBC and gave inaccurate information, thereby withholding the true circumstances of the payments.

I can see that Ms M gave different reasons for the purposes of the payments to HSBC such as lending money to a friend, a wedding gift, and starting a new business venture buying medical equipment. This, in turn, prevented HSBC from establishing the underlying risk and uncovering the scam.

Each time Ms M was asked about the payments she was making, she failed to give accurate answers, misleading HSBC so that the payments would go through. Because of this, I think it would be fair to apply some responsibility to her. And I think a 50% reduction to the award based on contributory negligence, in the circumstances of this complaint, is reasonable.

I'd like to express that I appreciate Ms M is the innocent victim of a scam here and so I'm not trying to place blame with her. To me, sadly, it seems Ms M was so heavily under the scammer's spell that she trusted what they were saying and followed their instructions when sending the money (as she genuinely believed she was romantically involved with them). It's a cruel thing for her to have gone through and I would like to extend my deepest sympathy to her.

But while such a cruel scam has taken place, it wouldn't be fair for me to say that HSBC should have to pay back all of the money lost, when Ms M didn't interact with them openly or honestly (albeit due to being under the spell of the scammer). Looking at Ms M's conversations with the scammer, even if HSBC had intervened further by probing in more depth about the payments she was making and the reasons for them, I simply don't think they could reasonably have uncovered the scam.

Unfortunately, I think Ms M was too heavily under the scammer's spell and would've proceeded to follow their instructions regardless of the risk that she might lose her money. Consequently, HSBC's ability to uncover the scam was hindered.

Because of this, while I agree HSBC could have done more here, I'm not able to ask them to refund all of the money lost and I believe the 50% refund is fair. I hope my explanation and reasoning have been clear. I'm really sorry Ms M has been through such an ordeal.

Recovery

After the payments were made, I couldn't reasonably expect HSBC to have done anything further until Ms M told them she had been scammed.

Unfortunately, while HSBC tried to recover the funds, they weren't successful as by the time the scam was reported, the money had already been removed from the beneficiary accounts.

Because of the above, I'm satisfied HSBC could not have successfully recovered any of Ms M's funds.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 24 September 2025.

Danielle Padden
Ombudsman