

The complaint

Ms R complains that HSBC UK Bank Plc ('HSBC') won't refund her the money she lost after she fell victim to an Authorised Push Payment ('APP') scam.

What happened

The background to this complaint is well known to both parties and has been laid out in detail by our Investigator in their view, so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

In or around February 2024, Ms R received a message, through a well-known messaging app from somebody claiming to be a recruiter, about a job opportunity. She was told the job entailed reviewing hotels online to increase their rating, for which she would earn commission. Believing everything to be genuine, Ms R proceeded, but unknown to her at the time, she had been contacted by fraudsters. The fraudsters then persuaded Ms R to pay her own money in order to proceed with the work.

As part of the scam, as well as using accounts she already held (including her HSBC account), Ms R was instructed by the fraudsters to open multiple accounts, with other payment service providers, as well as with cryptocurrency platforms. The scam saw Ms R moving money between her accounts to facilitate payments, making faster payments to individuals who were selling cryptocurrency through 'peer-to-peer' ('P2P') exchange platforms and also saw her sending money directly to accounts she had set up with cryptocurrency platforms herself. Her payments were then converted into cryptocurrency and subsequently transferred into accounts that were controlled by the fraudsters.

Between 28 February 2024 and 7 March 2024, Ms R made a number of payments from her HSBC account in relation to the fraud. Our Investigator has laid these payments out in detail in their view, so I don't intend to list them all again here.

Concerned with a faster payment that Ms R was making, for £500 on 28 February 2024, HSBC contacted Ms R and asked her about the purpose of the payment. Ms R told HSBC that she was paying money to a friend, who she had known for several years – she went on to say that they were planning a trip. Ms R has said she was being pushed what to say by the fraudsters and didn't give accurate answers, as her goal was to get back the money she had sent as quickly as possible.

Based on what it had been told HSBC provided Ms R with scam warnings surrounding 'impersonation' and 'family and friend' related scams. But satisfied with what it had been told, allowed this payment and the subsequent payments to be progressed.

Ms R realised she'd been scammed when she was still unable to withdraw any of the money she had sent and was asked by the fraudsters to continue making payments. She contacted HSBC, in May 2024, to inform it that she had been scammed, but it didn't uphold her complaint.

Unhappy with HSBC's response, Ms R brought her complaint to this service. One of our Investigators looked into things, but didn't think the complaint should be upheld. In summary, it was our Investigator's view that Ms R wanted to go ahead with the payments, despite warnings and questioning from HSBC.

Ms R didn't agree with our Investigator's view. As agreement couldn't be reached, the complaint has been passed to me for a final 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 very 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 focussed 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 haven't. 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.

Having thought about everything carefully, I agree with our Investigator and am not upholding this complaint. I'm sorry to hear that Ms R has been the victim of a cruel scam. I know she feels strongly about this complaint, and this will come as a disappointment to her, so I'll explain why.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account. However, that isn't the end of the story. Good industry practice required that HSBC be on the lookout for payments that were out of character or unusual to the extent that they might have indicated a fraud risk. On spotting such a payment, I'd expect it to intervene in a manner proportionate to the risk identified.

HSBC was a signatory of the Lending Standards Board's Contingent Reimbursement Model (CRM Code). Under certain circumstances, this Code can require that firms reimburse customers who have fallen victim to scams. However, the Code doesn't apply to these payments because Ms R made genuine peer-to-peer payments for the purchase of cryptocurrency and payments to her own accounts which she then used to send cryptocurrency, or made payments directly to cryptocurrency wallets she held (before moving funds onto the fraudsters), all scenarios which mean the CRM Code isn't an applicable consideration in this case.

However, the regulatory landscape, along with good industry practice, sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams.

In this case, I need to decide whether HSBC acted fairly and reasonably in its dealings with Ms R when it processed the payments, or whether it should have done more than it did. I can see that HSBC did intervene and discussed a payment (£500 on 28 February 2024) with Ms R, I'm satisfied that was a proportionate response and I wouldn't have expected it to have done any more.

I'm mindful that Ms R went on to make further payments and transfers from her HSBC account, which included transfers that increased in value and frequency. Firms, such as HSBC, process a high volume of transfers and transactions each day. And a balance has to be struck as to when it should possibly intervene on a payment(s) (as it did for the payment for £500 mentioned above) against not holding up or delaying its customer's requests. It is finely balanced as to whether HSBC ought to have made further interventions on some of these later transfers.

However, and importantly, I think it is worth noting that in the individual circumstances of this case, even if HSBC had recognised that Ms R was at a heightened risk of financial harm from fraud, as a result of some of these later payments she made, I don't think the action I would have expected it to take would have prevented her loss. I'll explain why.

A proportionate test in such circumstances would have been for HSBC to carry out some sort of intervention to establish the circumstances surrounding the payments (as it had done with the payment for £500), and to then provide a tailored warning based on any apparent risk that may present itself. I've thought about what would have happened if HSBC had intervened and in doing so, I'm required to base my findings on the balance of probabilities; that is, whether a particular possible outcome of that intervention was more likely than not.

Ms R has told us, and the evidence of the messages that I've seen, between Ms R and the fraudsters, show that she had been subject to social engineering and was being coached extensively by the scammer. This coaching included how she should answer questions posed about the payments she was making. From what I've seen, Ms R broadly followed the fraudsters instructions, which I think is evident with what happened with Ms R giving HSBC (and the providers of other accounts she held) inaccurate information about the purpose of the payments and moving passed warnings she had been given about potential scams.

Overall, for the reasons I've explained, even if HSBC had done more, I think it's more likely than not Ms R would've reverted to the fraudster, as she had done before, on how to answer any questions and would likely have done so in such a way as to avoid alerting HSBC to what was really happening.

Sadly, it seems to me that she was so determined to make the payments that, even if further intervention from HSBC had gone as far as preventing her from making payments and blocking her account, she'd have simply sent the funds from another of her accounts. Which I'm satisfied is evident and supported by what she went on to do, when other providers did just that and blocked her account.

Thinking next about the recovery of payments, given Ms R sent the money from HSBC to an account that she held with another provider, before legitimately buying cryptocurrency from individual sellers (who were unlikely to have been involved in the scam), or through transferring money directly to sellers or to cryptocurrency wallets she held – there would have been no opportunity for HSBC to have recovered any of the money she sadly lost.

I don't intend any comments or findings I've made in this decision to downplay or diminish the impact this scam has had on Ms R. I have a great deal of sympathy for Ms R being the victim of what was clearly a cruel scam that has had a significant impact on her. But I can only compel HSBC to refund Ms R if it is responsible for the loss incurred. For the reasons explained, having carefully considered the circumstances of this complaint, I can see no basis on which I can fairly say that HSBC should be held liable for the loss Ms R has sadly suffered.

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 R to accept or reject my decision before 5 September 2025.

Stephen Wise
Ombudsman