

The complaint

Mr and Mrs F complain that HSBC UK Bank Plc won't reimburse them after they fell victim to a vehicle purchase scam.

Mr and Mrs F are represented by a family member in bringing their complaint, but for ease of reference, I'll refer to all submissions as being made by Mr and Mrs F directly.

What happened

Mr F has explained that he was looking to purchase a motorhome for a family trip and found one meeting his requirements on a classified advert on a known online auction site. The advert included a phone number by which to contact the owner, which Mr F did. Unfortunately, unknown to Mr F at the time, the 'seller' was in fact a fraudster.

When calling the fraudster, Mr F and his daughter both spoke to, what appeared to be an elderly woman, who explained she was selling the campervan as her husband had died. Mr F asked if he could view the vehicle. The fraudster said she had her grandchildren with her (which Mr F could hear in the background) and the motorhome was in storage so asked if they could arrange to view the vehicle the following day, which Mr F agreed to. Mr F checked the location provided by the fraudster for both her home and where the vehicle was stored, and saw they were in close proximity.

The fraudster later called Mr F back and explained a dealer had offered a deposit to take the vehicle, but that she would sell to Mr F if the other sale fell through. Mr F offered to also provide a deposit, which the fraudster agreed to. The fraudster provided Mr F with a V5C document for the vehicle, that matched the name and address she had stated was hers. The fraudster then provided account details for an individual she stated was her son – these account details had the same surname as hers, so this corroborated what Mr F was being told. Mr F therefore made a £10,000 payment as a deposit for the vehicle.

Later that evening the fraudster messaged Mr F, apologising that her son thought she should sell to the dealer after all, as he was now offering to pay in full. The fraudster asked Mr F for his account details to return his deposit and said she would cover any fees he had incurred. Wishing to secure the vehicle, Mr F agreed to pay the outstanding balance if the vehicle ownership was transferred to him. The fraudster provided evidence that DVLA was closed, but that this would be done first thing in the morning, which Mr F agreed to.

The fraudster said the previous payment Mr F had sent had been stopped by her bank for checks, so asked if Mr F would send the remaining balance to her daughter in law, who she said makes regular higher payments. Mr F therefore made a second payment to another account for £7,500.

The following day Mr F arranged to collect the car with his daughter, and the fraudster remained responsive, confirming the car would be ready and continued to answer the phone until Mr F was at the fraudster's alleged door. At this point the fraudster became unresponsive and Mr F discovered that she did not live at the address stated. At this point Mr F realised he'd fallen victim to a scam and contacted his bank immediately to raise a

claim.

HSBC investigated Mr and Mrs F's claim and considered its obligations to provide them with a refund. HSBC is a signatory of the Lending Standards Board Contingent Reimbursement Model (CRM) Code, which requires firms to reimburse customers who have been the victims of APP scams like this in all but a limited number of circumstances. HSBC says one or more of those exceptions applies in this case.

HSBC said that it provided an effective warning to Mr and Mrs F when they made the payments, advising to view high value items such as cars before purchasing, and to not move away from the payment platform they are advertised on. It also said Mr and Mrs F didn't have a reasonable basis for believing they were making a legitimate payment, as they didn't question why they were paying an individual who was different to the name of the seller. However, HSBC was able to recover £10,611 of Mr and Mrs F's funds, which it returned to their account.

Mr and Mrs F remained unhappy and referred their complaint to our service. An investigator considered the complaint and upheld it. She didn't consider the warning HSBC presented to Mr and Mrs F could be considered 'effective' under the CRM Code. She also thought that Mr and Mrs F had taken reasonable steps to verify the legitimacy of the vehicle on sale.

HSBC disagreed with the investigator's view. In particular, it maintained that Mr and Mrs F ought to have viewed the vehicle in person, prior to purchasing it and ought to have been concerned that they were paying accounts not belonging to the seller of the vehicle.

As HSBC disagreed with the investigator's view, the complaint has been referred 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.

Having considered this complaint, I am satisfied that:

- Under the terms of the CRM Code, HSBC should have refunded the money Mr and Mrs F lost in full. I am not persuaded any of the permitted exceptions to reimbursement apply in the circumstances of this case.
- In the circumstances, HSBC should fairly and reasonably refund the money Mr and Mrs F lost.

I've carefully considered HSBC's representations about whether Mr and Mrs F acted without a reasonable basis for believing they were making legitimate transactions. But they do not persuade me to reach a different view:

- HSBC has placed particular emphasis on Mr and Mrs F not paying the apparent owner of the vehicle, but I think the greater context of the payments need to be considered here. Mr F was led to believe he was speaking to an elderly lady (and has said her messaging profile picture and her voice corroborated this story). Mr F had seen a vehicle log for the vehicle in question, with her name on it. Mr F was asked to pay money to her son's account – and the account details he was provided with had the same surname as the seller (which HSBC confirmed matched the account Mr F paid). So the individual he paid wasn't a completely random and unrelated account –

I consider it entirely reasonable for Mr F to have assumed that the individuals were related.

Even with the benefit of hindsight I don't think it's entirely clear what's happened here – I'm assuming it's most likely that the V5C Mr F viewed had been doctored to amend the owner's name, although even viewing the document with the intent of uncovering the scam, this isn't clear. Realistically, I don't think paying someone with the same surname as the owner of a vehicle ought to have caused alarm bells for Mr and Mrs F – particularly as it appeared to be the owner they were speaking to, who was therefore seemingly aware of the sale.

Similarly, by the time the second payment was then made, while this was an unrelated name, as Mr F had already paid someone matching the owner's surname successfully, I don't think this discrepancy would've had the same impact, particularly as plausible reasons were given for the request. Based on the previous positive Confirmation of Payee result Mr F would have seen, I think it was reasonable for him to assume he was dealing with family of the seller by this point.

- HSBC has raised that Mr and Mrs F ought to have seen the vehicle in person, prior to making the payment, which I agree, in principle, is prudent to do. However, again considering the overall context of the scam here, Mr F requested to view the vehicle and was given a plausible reason to delay the viewing until the following day. The fraudster then subtly applied pressure to the sale, without being blatant in what they were doing, by advising the vehicle was now being sold to someone else and, rather than asking Mr F outright to match the offer, advised they would let him know if the sale didn't go through. By doing so I can see why Mr F felt a sense of urgency to pay up front, without it being clear that this was the fraudster's intention.

Similarly for the second payment, before paying for the vehicle outright, the fraudster was apologetic to Mr F, offering to reimburse him both his deposit and any fees incurred. Again, while pressure was applied to act, I think this was cleverly masked by the fraudster. I also think a significant part of seeing a vehicle first is to check it exists and that it is owned by the person you are speaking with. For the reasons set out above, I think Mr and Mrs F had done enough checks to reasonably assure themselves of this, having conducted vehicle checks online, seen the V5C and paid someone apparently linked to that V5C. While paying up front left Mr and Mrs F open to potentially buying something that was misrepresented in photos, this is different to there being a notable scam risk. Having considered how the scam unfolded holistically, I think the checks Mr and Mrs F completed to assure themselves of the seller's legitimacy were reasonable.

- I've considered the price the motorhome was advertised for, and while it appears to be on the cheaper side, I don't think the price was so low that it ought to have been considered as unrealistic. I've also taken into account that there are a limited number of matching vehicles available to review, even online, by which to compare prices to.
- HSBC has said that Mr and Mrs F were warned against moving away from a platform when making a purchase, but the platform they were selling on provided the option for sellers to enter a contact number to complete the sale, which is what Mr F did – and in fact for the advert type presented, there was no option to pay through the platform. I therefore don't think this payment option was presented to Mr F in a way that appeared underhand. Additionally, I wouldn't expect a private seller to be able to offer options such as card payments.

For these reasons, having considered the complaint holistically, I find Mr and Mrs F did have a reasonable basis for believing they were making legitimate payments. I therefore consider they are entitled to reimbursement for their losses under the provisions of the CRM Code

Considering the warnings Mr and Mrs F received from HSBC, I don't consider these were 'effective' under the CRM Code.

When making the payments, Mr F was asked to confirm the payment purpose and he selected 'buying goods and services'. As a result Mr F was presented with the following warning:

'Stop and think

If this is a scam you could lose your money

Signs of a scam

Is someone telling you what to do?

If someone has told you to mislead us about the reason for your payment and choose the wrong payment type, this is a scam.

How did you find out about the goods/service?

Fraudsters may advertise products, goods or services on social media or other online marketplaces. In some cases, they even set up and use legitimate-looking websites.

Do you really know them?

Fraudsters may use social media to build up a relationship with you to gain your trust before asking you to send them money.

What can you do to protect yourself?

Stop and think. Does this seem right? Is the offer for a limited time or feel too good to be true?

Don't proceed if you are asked to pay by bank transfer, rather than using a more secure way to pay, for example a credit card or debit card, which offers more protection against fraud.

Don't proceed if you are asked to make the payment away from the usual payment platform.

Beware of false websites and reviews. Thoroughly research the seller online before making a purchase. For a high value item like a car, make sure you physically see it before making a payment.

Visit our fraud centre for further guidance on how to undertake the required checks before proceeding.

By choosing to continue, you agree you've read our warning and are happy to proceed. You accept that we may not be able to recover your payment if it is sent to a fraudster's account. If you're unsure, please stop immediately.'

I don't think the warning presented by HSBC can be considered 'effective' under the CRM Code. The warning is long – with several parts (such as being directed on what to do and building relationships with the fraudster) that weren't features of this scam – which I think makes it less impactful. As mentioned previously, it refers to not paying by bank transfer – but we know paying by card is not always an option, particularly for private sales, as this was deemed to be.

Overall, while I can appreciate HSBC's comments on this complaint, I find that Mr and Mrs F did have a reasonable basis for believing they were making genuine payments and that HSBC did not provide them with an effective warning. I therefore find they are entitled to reimbursement for their losses under the provisions of the CRM Code.

My final decision

My final decision is that I uphold Mr and Mrs F's complaint. I direct HSBC Bank UK Plc to refund Mr and Mrs F:

- Payments made to the fraudster, minus the funds already recovered and returned to Mr and Mrs F;
- 8% simple interest, from the date HSBC declined Mr and Mrs F's claim under the CRM Code, until the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs F to accept or reject my decision before 16 July 2025.

Kirsty Upton
Ombudsman