

The complaint

Mr A complains that HSBC UK Bank Plc decided not to refund him the money he lost through a scam.

Mr A has brought his complaint to us via a representative but I will refer to him throughout for simplicity.

What happened

In December 2023, Mr A enquired about a rental property advertised on social media and was given a contact number for the property owner. Mr A contacted the owner via an online messaging service, and was given a link to a third-party booking website to reserve the property. Mr A received the payment details after reserving the property and paid two lots of £1,800 via bank transfers to cover three months' rent. The payments were made on the 29th and 30th of December by bank transfer to an international account.

Mr A realised he'd lost money to a scam when he wasn't met by the owner on his arrival at the property and lost contact with them online. He alerted HSBC on 3 January 2024, and asked for a refund of the money he'd lost.

HSBC said that it was unable to provide a refund to Mr A as he'd authorised the payments and it was obliged to process the transaction. It told Mr A that it would contact the receiving bank to see if it could recover the funds as a courtesy to him, which it did but never received a response.

Mr A wasn't happy with this outcome and complained to HSBC in September 2024. HSBC said that it hadn't erred in how it processed the payments or how it acted once the scam was reported. It didn't uphold Mr A's complaint and he referred it to us. One of our investigators looked into it, but didn't recommend that the complaint be upheld as they found that HSBC wasn't responsible for Mr A's loss.

Mr A didn't accept this recommendation and asked for the complaint to come to an ombudsman 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.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations; regulators' rules, guidance and standards; codes of practice and, where appropriate, what I consider to have been good industry practice at the time.

It's not in dispute that Mr A lost his money in a scam, and that he authorised the payments to the person he understood to be the property owner. The Lending Standards Board's Contingent Reimbursement Code, which offered scam protection and potential

reimbursement to customers, was in place at the time. However, this didn't cover international payments and so isn't relevant to Mr A's case.

In broad terms, the starting position in law is that a bank, such as HSBC, is expected to process payments and withdrawals that a customer authorises it to make in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account. However, this doesn't automatically mean that HSBC cannot bear any responsibility for what happened to Mr A.

Banks have a regulatory responsibility to conduct their business with due skill, care and diligence, and to pay due regard to their customers' interests and treat them fairly. Banks also need to take steps to reduce the risk that their systems might be used to further financial crime. In practice, this means keeping customers' money safe and taking steps to prevent financial harm.

In this case, I need to decide whether HSBC acted fairly and reasonably in its dealing with Mr A when he authorised payments from his account or whether it could and should have done more before processing them.

Mr A made the two payments in question from his HSBC Global Money account. There are few account transactions prior to the payments and these are of relatively low value. However, Mr A made several transactions of a similar value to these payments within the preceding 12 months from his current account. These included transactions made on consecutive days, for example in June 2023, and two made on the same day in December 2023. So, it doesn't seem to me that these payments were unusual in the context of Mr A's recent use of his HSBC accounts, either in value or frequency.

I understand that these may have been the first payments Mr A sent internationally from his Global Money account and the first to this particular receiving account. However, the purpose of the account was to offer customers a fee-free account to hold and send money in different currencies, and it had been opened just a few months earlier in September. So it seems Mr A was using the account as it was intended, which wouldn't raise concerns.

There's a balance to be struck between identifying payments that could potentially be fraudulent – and then responding appropriately to any concerns – and ensuring minimal disruption to legitimate payments. Whilst banks have an obligation to act in their customers' best interests, they can't reasonably be involved in every transaction. To do so would involve significant disruption to legitimate payments.

Altogether, I'm not satisfied the payments Mr A made were so unusual and out of character that HSBC ought to have intervened. HSBC is obliged to process payments efficiently without undue delays and, overall, I don't think it treated Mr A unfairly or without regard to his interests by doing so in this case.

I have reviewed what happened when Mr A told HSBC about the scam. HSBC sent a recall request for the funds to the receiving bank and chased for a response a number of times but was unsuccessful. It isn't within the bank's powers, or those of this Service, to require the receiving international bank to respond or take any action. I haven't found that HSBC got something wrong in this regard which meant the recall request failed.

I don't doubt that this has been a difficult experience for Mr A. I am sorry he's lost his money and that I can't provide the resolution he's hoping for. For the reasons I've explained, I can't fairly hold HSBC responsible for his loss.

My final decision

I am not upholding Mr A's complaint about HSBC UK Bank Plc and don't require it to take any action in this matter.

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

Michelle Boundy
Ombudsman