

## **The complaint**

Mrs P has complained that HSBC UK Bank Plc won't refund money she lost to a scam.

## **What happened**

The details of the complaint are well known to both parties, so I will not repeat them again here. Instead, I will focus on giving the reasons for my 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 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. 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 taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, HSBC ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

So, with that in mind, it is reasonable to conclude that HSBC ought to have been alert to fraud and scams and to act in their customers' best interests. These are predicated on there having been a fraud or scam. So, the first consideration in determining HSBC's obligations here would normally be, was Mrs P scammed as she alleged and to establish the loss she suffered. However, following our requests for Mrs P to provide further evidence surrounding the scam, she has been unable to do so. I don't think it is unreasonable to conclude that Mrs P should be able to provide some evidence of the loss as a result of a scam, such as showing the funds being transferred to a third-party. Or I would have expected Mrs P to be able to supply scam conversations demonstrating the scammer provided her with the details of where the funds should be transferred.

In any event, in absence of the evidence requested, I have still considered the events which took place to see if I think HSBC should have done anything differently. It's not in dispute that Mrs P authorised the disputed payments. Between 8 July and 11 July 2024, Mrs P says she sent four payments ranging from £182.42 to £2,701.75 to accounts in her name (where the funds were subsequently transferred on to the scammer). As explained above, HSBC would generally be expected to process payments a customer authorises it to make. While I accept that Mrs P didn't intend for her money to go to the fraudsters, under the Payment Service Regulations 2017 Mrs P, is presumed liable for the loss in the first instance as the payments were authorised by her. This is unless there is sufficient evidence that HSBC should fairly and reasonably have done more to protect Mrs P.

However, there are many payments made by customers each day and it's not realistic or reasonable to expect a bank to stop and check every payment instruction. There's a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments.

In this case, having assessed Mrs P's expenditure on her HSBC account I can see that the payments were in line with Mrs P's previous expenditure. Looking at her expenditure in the six months prior to the scam payments, I can see Mrs P regularly sent transactions of similar value to the scam payments she made. So, I am satisfied these were all in line with her usual expenditure on the account.

While I accept that the amount of money Mrs P sent is clearly significant to her, this doesn't in itself suggest a heightened risk of fraud. So, I am not persuaded this would have stood out as unusual or suspicious.

I have also noted the funds were transferred to accounts held in Miss P's name, which in itself is not unusual. When considered alongside the transaction values being typical of Mrs P's previous spending; I am not persuaded there were any red flags that would have highlighted to HSBC she was at risk of financial harm. Ultimately, the payments were not significant enough to have triggered its systems; nor were there sufficient grounds to justify delaying the payments.

I have gone on to consider if HSBC took reasonable steps to try and recover the funds once it was made aware. Mrs P didn't make the payments to the scammer directly, she transferred her funds to accounts in her own name. If these funds had not already been transferred to the scammer by Mrs P they would be in her control to access as and when she chose. HSBC would not have been able to attempt to retrieve the funds from the scammer directly as that is not where the funds were originally sent to. So, it follows that I won't be asking HSBC to do anything further.

### **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 Mrs P to accept or reject my decision before 14 July 2025.

Jade Rowe  
**Ombudsman**