

The complaint

L, a company, complains that HSBC UK Bank Plc won't reimburse them for funds they lost to an email intercept scam. They'd like the funds returned to them.

What happened

The facts of this case are well known to both parties, so I will only mention them briefly here. In February 2024 L received an email from a long-standing supplier, with an invoice. After attempting to check the details of the payment, L made the payment of €25,854.36 to a HSBC UK Euro account.

However, it later turned out that the email wasn't genuinely from their supplier, and the funds had been sent to a fraudster. They contacted their bank, who attempted to recall the funds. L later contacted HSBC directly, who said they had not received contact from L's bank.

L complained to HSBC, saying that they should not have accepted the payment as the account name didn't match. HSBC responded to say that this was not a check they would carry out, as the International Bank Account Number (IBAN) and SWIFT codes matched. They did not feel they were liable for refunding L.

Dissatisfied with this answer L referred their complaint to our service. One of our investigators looked into what happened. Initially she felt the complaint should succeed in part, but after receiving further information from HSBC she felt that they had acted reasonably. She didn't see that the account opening information, or the activity on the account, were so suspicious such that HSBC should have prevented the payments. And she was satisfied that the money had been dispersed by the time L realised they'd fallen victim to a scam.

L disagreed, saying they felt that HSBC should have checked before releasing the funds. They also felt that HSBC hadn't cooperated with their own bank in trying to recover the funds. But this didn't change the investigator's mind.

As no agreement was reached the complaint has been passed to me 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.

L has undoubtedly been the victim of a crime here, so I sympathise with them and the staff involved. But being the victim of fraud isn't the sole determining factor in deciding whether HSBC should be responsible for any of L's losses.

In this case L doesn't have any direct relationship with HSBC, beyond being tricked into sending funds to a HSBC account. Our service can consider L's complaint, but only so far as whether there were any acts or omissions by HSBC that reasonably could have prevented

L's losses. And just opening the account that L sent funds to isn't enough for me to say that HSBC should be responsible for refunding L.

Account opening

I've reviewed the checks HSBC carried out before opening the account. I'm satisfied that they carried out checks to verify the identity of their customer and did the appropriate due diligence before opening the account. Nothing I've seen in the application and identity documents would have reasonably given HSBC the concern that the account would be used to receive fraudulent funds. So, I don't see that HSBC missed an opportunity to prevent any losses to L here.

Account activity

The account L paid into had been open for about six months but had been little used in that time. I am conscious though that HSBC currency accounts don't have a lot of features that may be associated with a regular current account – for example the ability to set up regular payments or use a debit card. So, the activity on this account was always likely to be limited. But there's nothing in the previous account activity that I would say should reasonably have prompted significant concern by HSBC.

L's funds are the first significant payment to the account. But the account would have to be funded from somewhere. L has pointed out that the name on the payment would not have matched the HSBC account. But the unique identifiers here would have been the International Bank Account Number (IBAN) and the SWIFT code – these are ultimately what the Payment Services Regulations 2017 say are necessary to verify the correct account is being paid. As the unique identifiers matched, the payment would have been accepted, likely through an automatic process.

Checking the account name manually wouldn't have been a check I would reasonably have expected HSBC to have carried out. And as the HSBC account was denominated in Euros, I don't see that the currency it was sent in would have prompted any concern.

After this the funds are moved from the Euro account to the HSBC's customer's personal account. I'm not persuaded that HSBC reasonably ought to have concluded that their customer was likely receiving funds because of a scam into their account based on this activity.

And having looked at the account activity overall, I'm not persuaded that, in the circumstances of this complaint, there were account monitoring failures by HSBC which impacted the losses suffered by L.

I've considered L's position that HSBC didn't communicate effectively with their own bank. I have seen that HSBC investigated when they were informed of the fraud, but by this point the funds had been moved on. I don't think this impacted the recovery of any funds and I don't think that the service provided was so far beneath what I'd expect to see that compensation is appropriate.

Overall, I'm not persuaded that HSBC have done anything significantly wrong in how they handled the report of fraud. I appreciate that this is difficult for L, as they have lost out through largely no fault of their own. But here I'm not persuaded HSBC need to do anything further.

My final decision

My final decision is that I do not uphold this complaint.

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

Thom Bennett
Ombudsman