

The complaint

Mr M complains HSBC UK Bank Plc (HSBC) didn't do enough to protect him when he fell victim to what he believes is a purchase scam.

Mr M has referred the complaint to us via a professional representative. In the main I'll refer to Mr M.

What happened

Both parties are familiar with the circumstances of the complaint, so I'll only summarise the details here.

Mr M said he's a landlord with multiple mortgages and heard of a company I'll refer to as M who found legal loopholes to write off mortgages. He said he understood there was an upfront fee, which was paid to a company I'll refer to as U, and once the debt was written off a percentage of that amount would be owed to the company, and the process took between 18 and 24 months. After more than 24 months with no developments Mr M now believes he has been scammed.

He complained to HSBC and his complaint wasn't upheld. Unhappy with this he referred the matter to the Financial Ombudsman Service. One of our Investigators considered the complaint and found the matter was a civil dispute and felt even if HSBC had intervened when the payments were made, they weren't persuaded it would have prevented Mr M from making them.

Mr M didn't agree with the outcome. In summary his representative said Mr M's contract was with M not U. That there's a warning about M on the Financial Conduct Authority's (FCA) warning list.

As an agreement could not 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 sorry to hear of what's happened to Mr M, and I understand why he feels the money should be refunded. However, I don't find that HSBC has acted unfairly in declining his claim and deciding not to refund the money for broadly the same reasons as our Investigator. I'll explain why.

I would like to say at the outset that I've considered this case on its own merits and have summarised it in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. It's simply because my findings focus on what I consider to be the central issues in this complaint – that being whether Mr M was the victim of a scam and if HSBC is responsible for the loss he claims to have suffered.

Where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

In line with the Payment Services Regulations 2017, consumers are generally liable for payments they authorise. HSBC is expected to process authorised payment instructions without undue delay. But they also have long-standing obligations to help protect customers from financial harm from fraud and scams. Those obligations are however predicated on there having been a fraud or scam. And so, it would only be reasonable for me to consider whether HSBC is responsible for the loss Mr M claims to have suffered if, indeed, he has been scammed. I've therefore considered whether Mr M was a victim of a scam.

I've also thought about the Contingent Reimbursement Model which HSBC is a signatory of. The code doesn't apply here as these payments were made by card which isn't covered under the code.

Whether someone has been scammed or the matter is a civil dispute can be finely balanced. In this instance Mr M knowingly made the payments, so they are authorised push payments (APP). But for me to be satisfied someone has been the victim of an APP scam, I need evidence to show the customer has been dishonestly deceived about the purpose of the payments at the time they were made.

As part of his submissions Mr M provided a contract his representative noted he received prior to making the payments and the contract mentions M and not U. Likewise, he's provided invoices from U which pre-date the payments and don't refer to M. I think even though Mr M believed he was dealing with M, it's clear U is involved and ultimately where the payments were made.

It's clear Mr M believed the payments were a fee to try and find a loophole to write off his mortgage debts. I'm satisfied the contract he's provided from M is in-line with his understanding of what the funds would be used for. And the invoices don't give a purpose so I can't conclude U's purpose for the payment didn't align with Mr M's understanding. I haven't been provided with evidence to suggest either M or U used the funds in a way that wasn't as described, or how Mr M understood the payments would be used. Therefore, from what I've seen I'm not persuaded either M or U dishonestly deceived Mr M about the purpose of the payments at the time they were made.

I therefore think on balance, it's more likely than not that this matter is a civil dispute and not a scam. HSBC should protect their customers from fraud and scams – by looking out for unusual or suspicious payments and carrying out additional checks before processing them. But, as I've explained, these obligations are predicated on there having been a fraud or scam. And given I've concluded that these payments weren't made as part of a scam, these obligations don't apply here. With regard to the FCA warning about M, HSBC's requirement to review the warning list is in relation to scam payments and I don't find these payments are scam related.

For completeness I've considered if an intervention would have prevented Mr M from making the payments and on balance, I'm not satisfied it would have. I'll explain why.

Even if this were a scam, and I'm not saying it is, and HSBC intervened when Mr M made the payments, I'm not persuaded it would have led to a different outcome. In May 2022 when these payments were made it could be argued the payment of £5,000 ought to have triggered an intervention from HSBC given its value, in which case I would have expected HSBC to have provided a general automated scam warning. I don't think this would have

resonated with Mr M such that it would have prevented him from making the payment. I say this because Mr M said following his research, he believed the company was legitimate. He said he researched M and found multiple webinars of people sharing success stories of having their mortgages written off. Also, he'd received a contract from M and official invoices from U which was registered on Companies House (and still is albeit under a different name). I therefore don't think Mr M had cause for concern such that a general scam warning would have positively impacted him and prevented the payment.

I don't think any further interventions by HSBC, whether an automated general scam warning or otherwise, would have prevented the payments being made as neither Mr M nor HSBC would have had sufficient concerns about the payments or their destination.

As the payments were made using Mr M's debit and credit card, HSBC considered the payments under section 75 of the Consumer Credit Act. It concluded there was no breach of contract or misrepresentation by the retailer.

I'm sorry to disappoint Mr M further but it would only be fair for me to ask HSBC to refund the payments if I thought they had been lost as the result of a scam and that HSBC was responsible for it. As I'm not persuaded that this was the case, I don't think HSBC needs to do anything further.

My final decision

My final decision is that I do not uphold this complaint against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 September 2025.

Charlotte Mulvihill
Ombudsman