

The complaint

Mrs G complains that HSBC UK Bank Plc hasn't reimbursed the money she's lost to a scam.

What happened

Mrs G relied on the assistance of an acquaintance ('the scammer'), who claimed to represent a legitimate company which assists with VISA applications and work placements in the UK, to help her and three of her family members to obtain working VISAs; and, in the case of her family members, secure employment and accommodation. Mrs G was required to pay half of the total cost upfront, and the remainder on the provision of the VISAs.

Mrs G paid a total of £25,000 upfront from her HSBC account, in four payments to two different payees, as set out in the table below.

Payment number	Payment date	Payment amount	Payee number
1	7 November 2022	£5,000	1
2	13 November 2022	£5,000	1
3	29 December 2022	£10,000	2
4	23 January 2023	£5,000	2

The scammer failed to provide the agreed service and has ceased communicating with Mrs G.

Mrs G raised a fraud claim with HSBC on 7 April 2024. HSBC couldn't recover Mrs G's funds from the receiving accounts and the bank declined to reimburse her under the provisions of the Lending Standards Board's Contingent Reimbursement Model ('CRM Code') because it said she ought to have taken more care before sending the disputed payments, and she denied it the opportunity to prevent the scam by selecting incorrect payment purposes.

Mrs G referred a complaint about HSBC to this Service. She said that she has limited knowledge of UK VISA and banking practices, and she was convinced of the legitimacy of the scammer's services because:

- The scammer was an acquaintance, and he showed her that he'd successfully provided a similar service to others.
- She and her family members were taken through an application process and given official-looking documentation.

What did our investigator say?

Our investigator recommended that HSBC refund the disputed payments in full. She thought

that Mrs G had a reasonable basis for belief on this occasion, and HSBC ought to have done more to protect her from financial harm.

HSBC didn't agree with our investigator's finding that Mrs G had a reasonable basis for belief. In summary, it said that Mrs G paid in full without taking reasonable steps to validate the legitimacy of the service the scammer was offering, she paid into the accounts of two individuals rather than paying a company, the price of the agreed service was considerably more than the prices quoted on official websites, and Mrs G ought to be aware of VISA processes as she had already obtained one previously.

The complaint was passed to me to decide, and I issued my provisional decision on 15 September 2025. I'll set out my findings below.

My provisional decision

It's not in dispute that Mrs G has fallen victim to an Authorised Push Payment ('APP') scam.

HSBC signed up to the CRM Code, and it was in force when the disputed payments were made. The CRM Code requires firms to reimburse customers who have been the victims of APP scams in all but a limited number of circumstances. HSBC is arguing that one of the exceptions applies in this case. It's said that Mrs G made the disputed payments without a reasonable basis for belief that the payee was the person she was expecting to pay, the payments were for genuine goods or services and/or the business or person she was transacting with was legitimate.

In thinking about whether Mrs G had a reasonable basis for belief, I've considered what steps she took to reassure herself about the legitimacy of the service the scammer was offering, and whether it was reasonable for her to proceed with the disputed payments.

HSBC has raised some valid points in defending this case – for example, the bank's said that the disputed payments went to individuals' accounts. But, the question for me is whether it was *reasonable* for Mrs G to believe, in all of the circumstances, that the payee was the person she was expecting to pay, the payment was for genuine goods or services and/or the business or person she was transacting with was legitimate. And I think it was. I say this because:

- Mrs G worked with the scammer, for a well-known business, and she had met him in-person. I can understand why this would have led to a level of trust.
- The scammer claimed to be a recruiter for a legitimate company which I'll refer to as 'F'. He gave Mrs G a professional business card tying him to F, and he committed to securing employment for her family members with F as part of the service he was providing (supported by the paperwork that Mrs G and her family members received). Mrs G appears to have independently researched F.
- I've looked at the documents that Mrs G and her family members completed and received as part of the scam, and I'm satisfied that they're persuasive.
- Mrs G has sent screenshots of social media posts she saw which confirmed to her that others had been successful in securing working VISAs and sponsored employment with F.
- Mrs G has explained why she didn't consider that the price of the service the scammer was providing was too expensive – she understood that the cost covered accommodation in the UK for her family members for a period.
- It's true that Mrs G already had a VISA at the relevant time, but I don't think this ought to have led to an awareness that she was being scammed. This time, she was applying for different types of VISAs, and a different service package.
- Mrs G paid 50% of the total service cost upfront, and committed to paying the remaining

50% once the service had been provided. I think that's reasonable.

I wouldn't expect Mrs G, or any other layperson, to see all the 'red flags' that a bank, with its industry knowledge of fraud, might observe, or carry out all the checks that someone with fraud experience might. There are undoubtedly some 'red flags' here – some of which have been noted by HSBC. But considering everything, I'm satisfied that the scam was sophisticated, and I don't think it's unreasonable that it went undetected by Mrs G.

Overall, I'm satisfied that HSBC should have reimbursed the money Mrs G lost to this scam under the terms of the CRM Code. I'm not persuaded that any of the permitted exceptions to reimbursement apply in the circumstances of this case.

Moving on, I've thought about whether HSBC ought to have done more to protect Mrs G from financial harm, and I think that it should. There was one payment of a similar amount to the disputed payments in the months leading up to the scam, but overall, Mrs G tended to instruct low-value payments out of her account at the relevant time. I consider that payment number 1, a high-value payment to a new payee, ought to have stood out to HSBC as unusual in consideration of the normal account activity, and it ought reasonably to have spoken to Mrs G and asked her some questions about the payment before letting it go. I can't see that Mrs G was given a convincing cover story which she could relay to the bank in order to reasonably convince it that nothing was amiss. So, I'm persuaded that, if HSBC had intervened proportionately with payment number 1, it would most likely have uncovered that she was making a payment to an individual's account for a working VISA and, with its industry knowledge of fraud, HSBC ought to have recognised that she was most likely falling victim to a scam and could've prevented her financial loss from payment number 1 onwards.

For the reasons I've explained, I've provisionally decided to uphold this complaint and instruct HSBC to reimburse the disputed payments in full and pay interest at a rate of 8% per annum from the dates the payments were made to the date of settlement.

Responses to my provisional decision

Mrs G accepted my provisional, but HSBC didn't. It maintained its position that Mrs G didn't have a reasonable basis for belief on this occasion, so she shouldn't be reimbursed under the terms of the CRM Code, and said:

- Mrs G didn't take adequate steps to verify the legitimacy of the service. Payments were made to individual accounts rather than a company, which should have raised concerns. Additionally, the cost of the service was significantly higher than standard rates, which should have prompted further investigation. It is the customer's responsibility to ensure they fully research any opportunities presented to them rather than taking other people's words at face-value, especially when it involves large sums of monies.
- Mrs G had previously obtained a VISA, suggesting familiarity with the process. This experience should have informed her decision-making and prompted her to question the discrepancies in the scammer's offer.
- The CRM Code outlines specific exceptions where reimbursement is not required. In this case, Mrs G's actions fall under these exceptions as she did not have a reasonable basis for belief in the legitimacy of the transaction.
- HSBC's systems are designed to detect unusual activity, but they rely on customers providing accurate information. Mrs G selected incorrect payment purposes, which limited the bank's ability to intervene effectively.
- The scam didn't need someone with 'industry knowledge of fraud' to be concerned that all might not be all that it seemed. There were clear 'red flags' that reasonably Mrs G ought to have been seriously concerned about, indicating that this was not

legitimate. Mrs G was familiar with the official VISA application process given her own previous VISA application, to which this differed. The costs were widely exaggerated, not to mention paying upfront, and to a supposed relative of the person offering the service. Even though Mrs G was seeking a different VISA package, it cannot be reasonable to conclude that the 'price' was anywhere near a reasonable price for said VISA Package. Had the customer conducted research as suggested, she would have been aware of this.

- The customer was coached to mislead the bank, so even had there been an intervention, the bank would've been unable to make a material impact. Mrs G took the explanation provided by the scammer as reasonable, rather than the 'red flag' it presented.

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've carefully considered the comments HSBC has made in responding to my provisional decision, but the bank has not raised any new arguments or presented any additional evidence which I have not already had the opportunity to consider. So, I see no reason to depart from the conclusions I set out in my provisional decision.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint and instruct HSBC UK Bank Plc to reimburse the disputed payments in full and pay interest at a rate of 8% per annum from the dates the payments were made to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 28 October 2025.

Kyley Hanson
Ombudsman