

## **The complaint**

Ms S complains that HSBC UK Bank Plc ('HSBC') hasn't refunded the money she believes she lost to an authorised push payment ('APP') scam.

## **What happened**

The circumstances of the complaint are well-known to both parties, so I don't intend to set these out in detail here. However, I'll provide a brief summary of what's happened.

In June 2024, Ms S instructed a business, which I'll refer to as 'H', to carry out some building work at her home. This included repointing an exterior wall along with some roofing work. On 20 June 2024, Ms S sent £700 from her HSBC account to a representative of H, whom I'll refer to as 'G'.

Around 90 minutes after making the payment, Ms S called HSBC and said she'd made the payment to G as part of a scam, orchestrated by another representative of H, whom I'll refer to as 'P'.

HSBC said it couldn't do anything to help Ms S, as it considered the situation between Ms S and H to be a civil dispute and not an APP scam. So, HSBC said it didn't need to reimburse her loss.

Ms S reported the situation to the police who also said they couldn't do anything to help because they thought it was a civil dispute between Ms S and H. Ms S reported the situation to Action Fraud, who passed the case to the National Fraud Intelligence Bureau ('NFIB'). The NFIB said they couldn't help because they had been unable to identify a line of enquiry that a law enforcement organisation could pursue.

Unhappy with HSBC's response to her scam claim, Ms S made a formal complaint. HSBC reiterated its decision not to reimburse her loss as it considered the situation to be a civil dispute between Ms S and H. So, Ms S referred her complaint to this service.

Our Investigator didn't uphold the complaint. They didn't think Ms S had demonstrated that she'd been the victim of an APP scam and so they weren't persuaded HSBC could fairly be held responsible for reimbursing Ms S's loss.

Ms S didn't accept our Investigator's opinion. As an agreement couldn't be 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.

At the time Ms S made the disputed payment, HSBC was signed up to the Lending Standards Board's Contingent Reimbursement Model Code ('CRM Code'). The CRM Code provided additional protection from APP scams, but only in certain circumstances.

When HSBC received Ms S's claim, it said it didn't think she'd been the victim of an APP scam, meaning it didn't need to reimburse her under the principles of the CRM Code because it didn't apply to her circumstances. For me to say that decision was wrong – and HSBC should've refunded Ms S's payment in full – I'd first need to be satisfied that the CRM Code is a relevant consideration in the circumstances.

The CRM Code can only apply where the victim's payment meets the CRM Code's definition of an APP scam. Under DS1(2)(a) of the CRM Code, an APP scam is defined as:

*“(i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or*

*(ii) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.”*

DS2(2)(b) of the CRM Code says it doesn't apply to:

*“private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier”*

There's been no suggestion made that G wasn't the person Ms S intended to pay. So, she wasn't “*deceived into transferring the funds to a different person*”. This means DS1(2)(a)(i) doesn't apply in these circumstances.

The purpose of a payment forms part of the CRM Code definition of an APP scam. As such, the reason Ms S made the payment is a relevant consideration when determining whether the CRM Code applies in these circumstances or not. For me to say the CRM Code applies in this case, I need convincing evidence to demonstrate Ms S was dishonestly deceived about the very purpose of the payment she made – i.e., that it was criminally obtained. To uphold Ms S's complaint under DS1(2)(a)(ii) of the CRM Code, I'd need to be reasonably satisfied that it is more likely than not that G received her payment (on behalf of H) for a fraudulent purpose.

Ms S said that she made the disputed payment without meeting any of H's representatives and that she had only spoken to P on the phone whilst she was at work and not at the property. However, she's also said she did meet with both P and G at her property and that they (along with another individual) aggressively intimidated her into making the payment, which she was reluctant to make.

Ms S has said that she made the £700 payment to fund the purchase of materials before H could start the building work. However, she's also said that she was told the work had been done and the £700 she sent to G was to pay for it. So, Ms S has given two different reasons for the purpose of her payment.

Ms S hasn't been able to provide any evidence to show what the payment was for, so I can't say for certain what either party intended the purpose to be. It's possible H deceived Ms S into making a payment for materials it had no intention of purchasing and delivering to her property and simply pocketed Ms S's funds – i.e., it scammed her. It's also possible that Ms S paid G, without first seeing the quality of H's work, and was subsequently disappointed by the standard – i.e., a civil dispute between the parties. I've thought about which of these scenarios seems most likely in the circumstances.

Ms S reported to HSBC that she'd been scammed approximately 90 minutes after the disputed payment had been made. So, her argument that she paid for building materials but H didn't show up to do the work doesn't seem to fit with the timeline of events.

To my mind, it seems more likely that Ms S was told the work was completed, made the payment but was then disappointed with the quality of work – which is how Ms S initially explained the situation to HSBC, *before* her claim was declined as a civil dispute.

Ms S has argued that H didn't do any building work at her property, it just put cement on one brick to show her how the repointing would be carried out. So, it's possible that if Ms S paid for work, believing it had already been completed but hadn't, then that could still meet the CRM Code definition of an APP scam. But I'm not persuaded that's the case here.

Ms S told HSBC the work done by H was only half completed and to a poor standard, describing it to HSBC as a “*disaster*”, and as “*horrible*” to our Investigator. Ms S said she took photographs of H's work and provided these to the police, but unfortunately, she was unable to share these with this service. So, the extent of what H has done is unclear to me. But it doesn't seem to be in dispute that H's representatives did visit her property, something was done to her exterior wall, and damage was done to her roof. So, it seems Ms S has an issue with the quality and quantity of H's work, which doesn't meet the CRM Code definition of an APP scam.

I've also considered Ms S's allegation that H was impersonating a genuine business, but I've seen no evidence to support this. Ms S was introduced to H through a well-known website, which connects customers with tradespersons. H has its own profile on the website, which remains active.

There are 15 reviews of H between February 2024 and May 2025, some of which refer specifically to P and G. These are largely positive reviews, and the negative reviews relate to the quality of the work that was done. There are no negative reviews accusing H of taking payment without doing any work. It seems unlikely that Ms S would be H's only victim if it did scam her, so the absence of other reports like Ms S's allegations suggests it was (and still is) a legitimate business.

I've carefully reviewed the evidence that Ms S has provided, relating to violent crimes committed by P in the past. Whilst this evidence certainly casts doubt on the character of P, it doesn't to my mind, demonstrate that he is a scammer or that he dishonestly deceived Ms S into making a payment for a service that H had no intention of providing.

I appreciate Ms S feels very strongly that she has been the victim of an APP scam and that HSBC reasonably ought to reimburse her loss. However, I'm not as persuaded as I need to be that she has demonstrated that an APP scam, as defined in the CRM Code, has taken place. As a result, I'm not satisfied HSBC was wrong to refuse to reimburse her.

### **My final decision**

For the reasons explained above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 23 July 2025.

Liam Davies  
**Ombudsman**