

The complaint

Mrs C complains that HSBC UK Bank Plc won't refund the full amount of money she lost after she fell victim to an 'authorised push payment' ("APP") scam.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

Mrs C complains that from October 2023 she made multiple payments to what she thought was a legitimate task-based job.

Payment 1	26 October 2023	£ 498.00
Payment 2	26 October 2023	£ 1,277.00
Payment 3	26 October 2023	£ 3,840.00
Payment 4	01 November 2023	£ 1,400.00
Payment 5	02 November 2023	£ 1,661.00
Payment 6	02 November 2023	£ 787.00
Payment 7	02 November 2023	£ 3,000.00
Payment 8	02 November 2023	£ 3,000.00
Payment 9	02 November 2023	£ 636.00
Payment 10	02 November 2023	£ 6,626.00
Payment 11	03 November 2023	£ 6,904.00
Payment 12	03 November 2023	£ 10,000.00
Payment 13	03 November 2023	£ 8,000.00
Payment 14	04 November 2023	£ 6,962.00
Payment 15	04 November 2023	£ 15,000.00
Payment 16	04 November 2023	£ 500.00
Payment 17	06 November 2023	£ 3,900.00
Payment 18	06 November 2023	£ 21,011.07
Payment 19	09 November 2023	£ 8,000.00
Payment 20	10 November 2023	£ 8,000.00
Payment 21	10 November 2023	£ 11,430.00
Payment 22	10 November 2023	£ 5,570.00
Payment 23	11 November 2023	£ 9,430.30
		£ 137,432.37

Mrs C was contacted by an unknown contact on a third-party messaging service offering her a remote job opportunity.

The scammer offered her a task-based marketing job where she had to complete individual

tasks involving reviewing films online. Mrs C was told she'd have to invest her own funds and then she'd be able to withdraw her original deposits plus commission.

Each time she completed a task, the next task was more expensive. And each set of tasks completed would result in a new batch of tasks appearing – as such, Mrs C was never able to withdraw. Mrs C realised it was a scam when she found an image of the scammer's passport online and realised it was fake.

The payments Mrs C made from her account at HSBC went to other bank accounts in her name before being paid to the scammer. Mrs C has another three complaints with our service against those banks.

Mrs C logged a complaint with HSBC, as she thought the bank should have done more to protect her money.

HSBC looked into the complaint but didn't uphold it. It didn't think it had done anything wrong by allowing the payments to be made. So, Mrs C brought her complaint to our service.

Our investigator looked into the complaint but didn't uphold it. Our investigator found that HSBC should've intervened on payment 10 (£6,626). Our investigator went on to say that had HSBC intervened as he thinks it should've done, he was satisfied it wouldn't have stopped Mrs C being scammed.

Our investigator found Mrs C ignored several warnings across the accounts she sent the payments from with the banks involved, and she was also sharing the warnings with the scammer, being reassured and coached in how to bypass them.

Mrs C via her representative didn't agree with the investigator's view. In summary they thought HSBC should've intervened earlier and if they had Mrs C wouldn't have yet been under the spell of the scammer. They also said HSBC had no warning tailored to job scams.

As Mrs C remained unhappy, the complaint's 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.

Having done so, I've come to the same outcome as the investigator, for largely the same reasons. I'll explain why.

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 focussed 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.

Prevention

In broad terms, the starting position in law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what is fair and reasonable in this case.

I'm satisfied that although Mrs C didn't intend for her money to go to a fraudster, she did authorise the payments. I understand she wouldn't have authorised the payments if she had known this was a scam, but HSBC is expected to process payments that a customer authorises or instructs it to make, and that is what it did. The Payment Services Regulations (PSRs), state that payments are authorised if the payer consented to them and, in this case, I'm satisfied Mrs C consented to the payments as at the time, she believed she was making payments for the purposes of a legitimate job.

However, where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payments.

Taking into account the law, regulatory rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider HSBC should fairly and reasonably:

- Have been monitoring accounts – and any payments made or received – to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.
- Have had systems in place to look out for unusual transactions or other signs that might indicate its customers were at risk of fraud (amongst other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

Our service has referenced the relevant rules, codes of practice and good industry practice at the time in many previous decisions published on our website.

Having considered the size of the payments, where they were going to and what HSBC would've reasonably known of them at the time, I'm satisfied that the first payment HSBC should've intervened on, or been concerned about, was payment 10. All the payments before this were going to an account in Mrs C's name, and I don't find they got to an amount or frequency that would've triggered or alerted HSBC's fraud prevention systems. Payment 10 was a big increase on the value of the previous payments.

So, in these particular circumstances, in order to meet its obligations summarized above, I would reasonably expect HSBC to have flagged the payment, and then provided a proportionate warning. Here given the size of the payment and where it was going to, I'm satisfied a proportionate warning would've been a better automated warning to Mrs C, which would have involved a series of questions around what she was making the payments for.

But much like the investigator, I'm not convinced any warning would've stopped Mrs C making further payments to the scammer. I say this as HSBC did intervene on payment 22 and when speaking to an advisor from HSBC, Mrs C wasn't accurate or forthcoming with why she was making payments.

We also have information to show one of the other banks intervened on 02 November 2023 and after speaking to Mrs C warned her she was being scammed. At this point Mrs C said she would stop sending payments, but we know she moved money back into her HSBC

account and made further payments to the scammer.

As well as the phone calls, Mrs C received a several written warnings across the four banks she sent money from. Although not all of these were specific to the scam Mrs C was falling for, it did give some warnings relevant to her circumstances. We also have information to show that Mrs C was often not picking an accurate payment reason, and in turn got the wrong warning.

Mrs C has sent our service evidence that she was being coached by the scammer and was often sharing the warnings she was being given by the banks with them. In doing so, the scammer was able to reassure and talk Mrs C through these warnings and in turn make it much harder for the banks to uncover the financial harm Mrs C was experiencing.

Mrs C's representative has mentioned several times that HSBC didn't have a tailored warning available applicable to job scams at the time the payments were sent. I've considered this point carefully, but it doesn't change my outcome.

Firstly, from what we've seen of how Mrs C has answered questions across the various banks she sent her money from, we know she wasn't answering accurately. Another of Mrs C's banks did have this payment purpose and warning, but Mrs C chose a different option. Mrs C was also verbally told she was being scammed, but this didn't stop her sending more money. So, I'm not convinced any further warning that HSBC might have given her would've broken the spell she appears to have been under with the scammer.

Therefore, due to the reasons I have outlined above, I am not persuaded HSBC ought to have done more and due to this it couldn't have prevented Mrs C's losses.

Recovery

As Mrs C sent money to her own account; recovery wouldn't have been possible.

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 C to accept or reject my decision before 07 April 2025.

Tom Wagstaff
Ombudsman