

## **The complaint**

Miss C complains HSBC UK Bank Plc won't refund the money she lost when she fell victim to a scam.

## **What happened**

Miss C was contacted by someone posing as a consultant for an investment company and was persuaded to invest. Across July and August 2024, Miss C sent several card payments from her HSBC account to "W", a money remittance firm, which I understand funded payments sent on to the alleged investment company. Unfortunately, this was a scam.

After the alleged investment company repeatedly asked for money to withdraw her funds but then didn't send her anything back, Miss C complained to HSBC that she had been scammed. It didn't agree to refund her. It said the payments were lost to the scam from the money remittance firm, and the payments to W hadn't looked suspicious.

One of our investigators initially recommended HSBC should refund half of Miss C's loss. But the case was then reallocated and reviewed by another investigator who didn't uphold it. They weren't persuaded HSBC had cause to suspect the payments were linked to fraud, so didn't think it was at fault for not preventing Miss C's loss. And given how the funds were sent on, they didn't think HSBC could have recovered the funds either.

Miss C considers the outcome unfair. She says HSBC is at fault as it didn't stop any of the payments – and other banks would have done so.

## **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 decided not to uphold it. I appreciate this will be disappointing for Miss C, who it's clear has been the victim of a scam. But in looking at HSBC's role in what happened, I don't think it would be fair to hold it liable for her loss. I've explained why below.

Although Miss C was tricked about how her funds would be used, it's agreed she made these payments. That means the starting position is that she's liable for them. In line with the Payment Services Regulations 2017, firms such as HSBC are expected to process authorised payment instructions without undue delay.

However, there are some situations where I would reasonably expect a firm to make further enquiries about a payment before deciding whether to process it – such as in circumstances where there are grounds to suspect it presents a fraud risk. If a firm failed to respond proportionately to such a risk, and doing so would have prevented the consumer from incurring a fraudulent loss, it may be fair to hold the firm liable.

I've therefore thought about whether HSBC should have suspected any of these payments were linked to fraud. On balance, I don't think any of the payments looked so suspicious or unusual that it was remiss of HSBC to process them in line with Miss C's authorised instructions without completing further checks.

I appreciate the total amount sent was for a significant amount. And I appreciate they were for higher amounts than Miss C frequently paid. But I don't think the individual payments were for such suspiciously high amounts that HSBC should have been concerned. They were also spread out over a week or so, with gaps of several days in between, and didn't clear the account balance. I think that made them look less concerning; it didn't appear they were being made under immediate pressure.

HSBC would also have been able to see the funds were being sent to W, a genuine, regulated money remittance firm. So the destination wouldn't have made it clear the payments were part of a scam. Particularly as W wasn't a new payee; Miss C had paid them three times prior since July 2023. I think that would have made the pattern of further payments sent to W seem less concerning to HSBC.

I know Miss C has mentioned other banks either stopping or refunding payments made to the scam. I don't have the full details about what happened on those accounts that may have contributed to this. Regardless, my role is limited to impartially considering HSBC's actions. Looking at the payments Miss C has disputed with HSBC, in amongst her general account activity, I'm not persuaded HSBC missed a reasonable opportunity to uncover this scam at the time of the payments.

I've also looked at HSBC's actions when the scam was reported. Card payments are covered by the voluntary chargeback scheme, which gives limited protection to recall payments in some instances where there is a payment dispute between the payer and the merchant. But here, Miss C's dispute isn't about W as the merchant paid, but about the scammer the funds were sent on to. So I don't think HSBC could have recovered the payments through the chargeback scheme.

Overall, while I appreciate this will be frustrating for Miss C, I'm not persuaded it would be fair to direct HSBC to refund her. It was the cruel actions of the scammers, rather than any failings by HSBC, which caused her loss.

### **My final decision**

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 9 October 2025.

Rachel Loughlin  
**Ombudsman**