

The complaint

Mrs G is unhappy about HSBC UK Bank Plc trading as first direct bank ("HSBC")'s decision not to refund the payments she says were made towards two scams.

What happened

The investigator's view of 25 February 2025 detailed the background to this complaint and set out the timeline of the transactions. So, I'll only provide a brief overview of some of the key events here. Briefly Mrs G explained she fell victim to two scams. One (an individual I will refer to as D in this decision) was a family friend whom she had known for a long time. Mrs G asked D to look after her property abroad. Mrs G says she sent payments for house repairs which she says weren't done and D promised to send her money back. She says she also sent D funds for a holding deposit on a bungalow for her mother, but the purchase didn't go through, and she never got her money back.

Later, an individual (I will refer to as T) contacted Mrs G offering to help recover her funds from D. Mrs G built up a relationship with T. Between February and May 2023 Mrs G paid a number of individuals (T and T's business partners) in order to recover her funds. T later introduced her to a savings scheme and between 8 August 2023 and 13 December 2023 Mrs G says she sent a number of payments totalling £1,000 but never received any returns. Mrs G also said T borrowed money from her. Mrs G says T stopped responding to her and that's when she realised it was a scam. Although in March 2025 T paid Mrs G £100 but she hasn't paid anything further.

HSBC declined to refund Mrs G. It considered the initial payments had been made to Mrs G's husband and a friend and were therefore genuine payments. It considered the remaining payments under the CRM Code but found that Mrs G didn't have a reasonable basis for believing the payments were for genuine purposes.

Our investigator did not uphold the complaint. In summary she found that some payments were genuine and there was insufficient evidence to show what was agreed about the payments or what the purpose of the payments was for. Therefore, she couldn't safely conclude Mrs G had been the victim of a scam. And she felt it more likely a dispute between the parties.

Mrs G did not agree and so the case has been passed to me for a 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.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I reach my decision on the balance of probabilities – in other words, on what I consider is more likely to have happened in light of the available evidence.

I'm sorry to hear about the situation Mrs G has been left in and the impact all of this is having on her health and wellbeing. Mrs G has also paid out a considerable sum of money. It's important to note that I am not deciding a dispute between Mrs G and T or D – I don't have the power to look into a complaint about T or D. My role is limited to deciding the dispute between Mrs G and HSBC. So, I need to decide whether HSBC acted fairly, when it declined to refund Mrs G.

Before I consider whether a bank has done enough to protect its customers, I must first be satisfied that a customer has been the victim of a scam. But I don't think we have enough information or evidence from Mrs G here to safely conclude that she has been the victim of a scam.

I would like to assure Mrs G that I have considered everything she has provided as part of the complaint – including her verbal testimony. And having done so, I still have not seen enough to safely conclude she has been the victim of a scam. I am afraid there are too many uncertainties about what's happened here.

HSBC was a signatory to the CRM Code which was in force at the time the payments in question were made. In certain circumstances, the CRM Code can entitle a customer to be reimbursed by banks or building societies after they've fallen victim to an APP (authorised push payment) scam.

An APP scam is where a customer was deceived into making a payment to another person for what they thought were legitimate purposes but turned out to be fraudulent. In this context, that would mean that the very purpose for which the D and T obtained the payments would need to be different to what Mrs G believed it was for, due to dishonest deception. And the CRM Code is quite explicit that it doesn't apply to private civil disputes.

It also only covers payments that go directly to the scammer's account – so doesn't include payments Mrs G made to her own accounts or to her husband or via a friend.

So the CRM Code isn't a general protection for consumers. Instead, it only applies in very specific circumstances – where the customer has been the victim of a scam.

In order to make a decision on whether Mrs G is entitled to a refund, I need to start by establishing whether I think it's more likely than not she was the victim of a scam. I fully accept that Mrs G has potentially lost a lot of money. But that doesn't necessarily mean she was the victim of a scam. To be satisfied Mrs G was the victim of a scam I need to be persuaded, on the balance of probabilities, D and T deceived Mrs G into making each payment for their own financial gain. It's not clear exactly what happened in this case. There is very little evidence and Mrs G hasn't always been clear.

The only evidence I have in this case is Mrs G's testimony and some messages between her and T, between her and D as well as with another individual Mrs G says was a broker. The messages with T must have been some time after Mrs G made the transfers, they don't help to determine T's intent at the time of the payments. Whilst the messages with D and another unknown individual were during period of some of the transfers there is nothing within the messages that explains why the payments came to be made and what the agreement was. Instead, I'm restricted to considering what I think is more likely than not (and not just as likely) based on the evidence available to me.

I don't think I can safely conclude what happened here or that Mrs G was even the victim of a scam. I don't know exactly what was agreed or provided here – but if the agreement wasn't met – it is possible other factors ultimately meant the arrangement wasn't completed. There are a number of potential reasons (other than a scam) for the breakdown in a relationship between two parties and for a dispute to exist. It seems T has been in touch with Mrs G recently to make a payment (albeit only £100) and Mrs G has mentioned taking her to court. Having listened to Mrs G's testimony and the events, I feel this situation is more likely a civil dispute between the parties and I can't safely conclude Mrs G's been the victim of a scam.

So I do not think HSBC has made an error when it did not reimburse Mrs G in the circumstances. Overall, whilst I'm sad to hear what has happened to Mrs G in terms of her mental wellbeing, I can't reasonably ask HSBC to refund her claimed losses. I realise this will be extremely disappointing to Mrs G.

I appreciate HSBC has made a decision to restrict Mrs G's online banking and that may have caused some inconvenience - but the bank has a duty of care to protect consumers and the money it holds on their behalf. Mrs G's more recent correspondence suggests that HSBC has since closed the account. Any complaint about new issues would need to be raised directly with HSBC in the first instance and isn't something I can address in this decision.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 18 June 2025.

Kathryn Milne
Ombudsman