

The complaint

Mr P complains about the actions of HSBC UK Bank Plc when he lost money to a scam.

A representative has brought this complaint on Mr P's behalf, but for ease I'll only refer to Mr P in my decision.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In 2019 Mr P came across an investment advert on social media. Mr P completed some research online and didn't find anything concerning. So, Mr P decided to invest and sent £10,000 internationally to the merchant. Mr P realised he had been scammed when he reached out to the merchant to make a withdrawal but was unable to do so. He then lost contact with them.

In August 2022 Mr P raised a claim with HSBC. HSBC considered the claim but said it wouldn't refund the £10,000 he had lost. Unhappy with that response Mr P brought his complaint to this service.

Our Investigator didn't think the complaint should be upheld. She said the payment wouldn't have seemed unusual to HSBC at the time as Mr P had sent larger payments previously. And that there was no adverse information about the beneficiary for HSBC to have known it was a potentially fraudulent payment.

Mr P disagreed and has asked for an Ombudsman's review. He said the amount of money being sent should've been suspicious to HSBC here and it should've intervened. If it had then Mr P says the scam would've been uncovered.

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 reached the same conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Mr P has been the victim of a cruel scam. I know he feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I have to make my decision on the balance of probabilities – that is, what I consider is more likely than

not to have happened in the light of the available evidence and the wider surrounding circumstances.

It is common ground that Mr P authorised the scam payments of around £10,000. I accept that these were authorised payments even though Mr P was the victim of a scam. So, although it wasn't his intention to pay money to the scammers, under the Payment Services Regulations 2017 (PSRs) and the terms of his account, Mr P is presumed liable for the loss in the first instance.

However, taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for HSBC to take additional steps or make additional checks before processing a payment in order to help protect customers from the possibility of financial harm from fraud.

HSBC's first obligation is to follow the instructions that Mr P provides. But if those instructions are sufficiently unusual or uncharacteristic for the account, I'd expect HSBC to intervene and to ask their customer more about the intended transaction before processing it. I'd also expect HSBC to provide suitable warnings about common scams to help their customers make an informed decision as to whether to continue with the payment. There might also be cases where it's appropriate for HSBC to refuse to follow the instruction if there are good grounds to believe it is being made as a result of a fraud or scam.

So, the starting point here is whether the instructions given by Mr P to HSBC (either individually or collectively) were unusual in relation to his typical account activity. So, I've reviewed the account statements around the time Mr P made the payments in question here.

The account was typically well maintained with the balance ranging from a low of around £800 up to £50,000. But the account typically had a few thousand pounds available over the past twelve months. There were genuine payments for £3,500, £5,000 (on a few occasions), £10,000 and £25,000. And In January 2019, Mr P sent around £90,000 to an account in his name at another bank in four separate payments across five days. So, in terms of the amount he was sending here (£10,000) I don't think it would've seemed suspicious. And the payment didn't drain the account of all its funds leaving a balance of around £21,000. So, although the previous large payments were going to an account in his name, they are still considered a part of his previous account activity.

Mr P has said the payment was to a new international beneficiary so should've been flagged for further checks. But I don't agree in this instance that there was enough happening for HSBC to have stopped the payment and asked why it was being made. Account usage can sometimes change over time. And consumers will sometimes make a larger payment on their account (which includes the odd international payment). So, I don't think there was enough happening on the account for HSBC to have been concerned that Mr P was more than likely going to be the victim of fraud. I don't think this is a case where I think there was anything substantive enough to mean that HSBC would have been justified in refusing Mr P's payment instruction altogether and going against his wishes. Nor do I think Mr P's age alone was a reason for HSBC to intervene and stop the payment for the reasons Mr P has described (elderly individuals facing some degree or age-associated cognitive decline).

I've considered whether HSBC acted reasonably when it was made aware of the scam. Having done so, I'm satisfied HSBC didn't treat Mr P unfairly here. It attempted to recover the money but due to the time that passed between the scam payment and the recovery attempt it was no longer possible to recover Mr P's money. Nor were there any other avenues that HSBC could've been successful in retrieving Mr P funds here.

I appreciate this will come as a disappointment to Mr P, and I'm sorry to hear that he has been the victim of a cruel scam. As a result, I'm not persuaded that HSBC can fairly or reasonably be held liable for his loss in these circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 9 September 2025.

Mark Dobson
Ombudsman