

The complaint

Mr R is unhappy that HSBC UK Bank Plc won't refund payments he made because of an investment scam.

What happened

I won't repeat everything that has happened to date in Mr R's complaint because the details are well known to the parties. I will though, give a summary.

Mr R saw online an investment opportunity with an international company, offering competitive interest in its savings accounts. Mr R made his first transfer on 23 February 2017 for £3,000. He then made two further transfers from his HSBC account to the investment company on 28 September 2018 for £1,000 and then on 1 April 2019 for £2,000.

Mr R could see from information provided by the company that his savings were attracting interest. But when in or around October 2022 he tried to withdraw funds, he was unable to, and contact stopped with the company. He went online and saw from reviews that the company was operating a scam, and others had lost their money.

Mr R reported what happened to HSBC on 21 July 2023 and at the same time, raised a complaint it failed to protect him from the scam. HSBC replied that it couldn't recover the payments, and it made the payments Mr R told it to. It said it made no errors. It said it would not refund any of Mr R's losses back to him, and that the payments he made were not covered by a voluntary code it had signed up to for this sort of scam, called the Contingent Reimbursement Model.

Unhappy, Mr R brought his concerns to our service to investigate. The investigator didn't uphold Mr R's complaint and said, although HSBC ought to have made some checks for the first payment, Mr R on balance, would have gone ahead with the transfer anyway. He concluded the second and third payments were not unusual, and he wouldn't have expected HSBC to have intervened with these anyway. He didn't uphold Mr R's complaint.

Mr R asked that an ombudsman look at his complaint, and so it has been passed to me to look at afresh, again.

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 outcome as our investigator for these reasons:

- The starting position in law is that Mr R is responsible for the payments he made. And HSBC has a duty to make the payments he tells it to.
- HSBC signed up to a voluntary code for scams of this type, and this was called the Contingent Reimbursement Model (CRM). But I can see the rules associated with

this don't apply in the circumstances of Mr R's complaint as all three payments were made before it signed up to this. The code also doesn't cover international payments.

- But that doesn't preclude HSBC from making fraud checks before making a payment. And, considering regulatory expectations and good industry practice at the time of each of these three payments, I'm satisfied that it should fairly and reasonably do this in some circumstances.
- This hasn't been a straightforward complaint to consider, because Mr R made the first of his payments on 23 February 2017, more than eight years ago. This means HSBC didn't have bank statements that covered the time or before, this payment was made.
- I think this is understandable due to the amount of time that has passed, and I wouldn't necessarily expect HSBC to hold detailed records here. But it has meant I haven't been able to consider what Mr R's account history would have looked like before he made the first payment, and whether the payment he made for £3,000 would have looked unusual or out of place, at least enough that HSBC ought to have made an intervention.
- But I don't think a lack of records in relation to the first payment, makes a difference in the circumstances of Mr R's complaint, because I do agree with what has been said to date. If HSBC had made an intervention and contacted Mr R on 23 February 2017, I don't think anything would have been said between the parties that would have prompted HSBC to then go on and provide a warning to Mr R.
- I say this because I haven't seen any evidence that in 2017 the investment company in question was being flagged up as a scam or of concern, either through regulatory warnings or reviews by other members of the public. And the payment Mr R made, this being an international transfer to an account held with a regulated financial firm in another country, wouldn't have looked out of place, or at the time, ought to have been a cause for concern either.
- In conclusion, I haven't been able to see enough information from the time, to ascertain whether HSBC should have made an intervention when Mr R made the first payment in 2017. But this doesn't make any difference to the outcome of Mr R's complaint, as if it did, I don't think, on balance, it would have made a difference to Mr R making the transfer anyway.
- Moving on to the second and third payments Mr R made, I have been able to look at Mr R's account history. In doing so, I'm not persuaded these payments appeared so uncharacteristic that HSBC ought to have suspected he was falling victim to a scam. They were quite a significant period between each payment; they weren't significant in value; and Mr R had made similarly sized (and larger) payments previously on his account.
- Given the value of the second and third payments and how they were broadly in keeping with Mr R's spending, I don't think it's enough to say the payments looked significantly uncharacteristic or risky on this occasion.
- It follows based on what I have just said that I don't consider it remiss that HSBC processed the two payments in line with the instructions without completing further checks. After all it must balance protecting Mr R from fraud with its corresponding

duty to make the payments he tells it to in a timely manner.

- I have seen the reviews online and read all the documentation Mr R has provided. In doing so, it is clear to me he has been a victim of a scam. I am sorry about what has happened here, and I know the outcome will be a disappointment. But for the reasons I've explained, I don't think Mr R's losses can be attributed to something HSBC did wrong. So, I don't uphold his complaint.

My final decision

For the reasons I've explained, my final decision is that I do not uphold Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 19 September 2025.

Mark Richardson
Ombudsman