

The complaint

Mrs W complains HSBC UK Bank Plc (“HSBC”) hasn’t refunded funds she says she lost as the result of a scam, and she didn’t feel believed when she made the claim.

What happened

Both parties are familiar with the circumstances of the complaint, so I’ll only summarise the details here.

In September 2024 Mrs W purchased tickets for a football match for £525 using her debit card. She said she was contacted by the police to say she, along with many others, had been scammed and there were no tickets.

Mrs W complained to HSBC, and her complaint regarding refunding her loss wasn’t upheld. HSBC offered £75 compensation for the service it provided when she made her claim which has been paid. Unhappy with HSBC’s response, Mrs W raised the matter with the Financial Ombudsman Service. One of our Investigators looked into the complaint and didn’t uphold it. They didn’t think HSBC ought to have been concerned by the payment and it was reasonable for it to be processed.

As an agreement could not be reached, the complaint has 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.

I’m sorry that Mrs W has been the victim of a scam. I realise she’s lost a meaningful sum of money which was intended to buy a birthday gift for her son, and I don’t underestimate the impact this has had on her and her family. And so, I’d like to reassure her that I’ve read and considered everything she’s said in support of her complaint. But I’ll focus 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. I know this will come as a disappointment to Mrs W but having done so, I won’t be upholding her complaint. I’ll explain why.

In broad terms, the starting position at law is that banks and other payment service providers are 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.

Mrs W authorised the payment in question here – so even though she was tricked into doing so and didn’t intend for her money to end up in the hands of a scammer, she is presumed liable in the first instance.

But as a matter of good industry practice, HSBC should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: as while banks and Electronic Money Institutions should be alert to fraud and scams to act in their customers' best interests, they can't reasonably be involved in every transaction.

I've also thought about the Contingent Reimbursement Model which HSBC is a signatory of. The code doesn't cover card payments and so isn't relevant here.

I've thought about whether HSBC acted fairly and reasonably in its dealings with Mrs W when she made the payment, or whether it should have done more than it did. In doing so I've considered what HSBC knew about the payment at the time it received Mrs W's payment instruction and what action, if any, HSBC took prior to processing the payment.

While the value of the payment isn't insignificant, I don't think the payment was of an unusually excessive value that it ought to have caused HSBC to be concerned that Mrs W was potentially falling victim to a scam. The destination of the payment also won't have raised concerns with HSBC. So, I don't think the payment itself was suspicious in nature to suggest to HSBC that Mrs W was at a heightened risk of financial harm from fraud. I therefore don't think it was unreasonable for HSBC to process the payment in-line with her payment instructions.

HSBC has paid Mrs W £75 compensation for the service she received when she made her claim. She said she didn't feel believed and I've seen she had to repeat herself as she was transferred between teams at HSBC. I think this is fair compensation for the additional distress and inconvenience this will have likely caused her at an already difficult time. I therefore won't be asking HSBC to pay additional compensation.

Recovery

I've thought about whether there's anything else Revolut could have done to help Mrs W — including if it took the steps it should have once it was aware that the payments were the result of fraud.

After the debit card payment was made, the only potential avenue for recovery of the payment would have been through the chargeback scheme. The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. HSBC is bound by the card scheme provider's chargeback rules. Whilst there is no 'right' to a chargeback, I consider it to be good practice that a chargeback be raised if there is a reasonable chance of it succeeding. But a chargeback can only be made within the scheme rules, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. Time limits also apply.

HSBC said it was unable to raise a chargeback as Mrs W didn't provide sufficient evidence to support the claim. I've seen it attempted to obtain the evidence needed more than once and I accept that Mrs W didn't receive a letter HSBC sent regarding this. However, I'm not persuaded it would have made a material difference to the outcome because unfortunately the chargeback rules don't cover scams.

I'm sorry to disappoint Mrs W further, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think HSBC needs to refund Mrs W's money or pay any additional compensation. I realise this means Mrs W is

out of pocket and I'm really sorry she's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 24 October 2025.

Charlotte Mulvihill
Ombudsman