

The complaint

Miss P has complained that HSBC UK Bank Plc won't refund the money she lost after falling victim to a scam.

What happened

Both sides are most familiar with the case, and our decisions are anonymised, so I'll summarise what happened in brief.

Miss P was recommended an investment firm by a trusted family friend and business partner, as well as her parents, who were experienced investors, and had already carried out extensive due diligence and successfully invested.

In summer 2018, Miss P paid into the investment firm by making a £10,000 transfer from her HSBC account.

Miss P was given updates and had her investment renewed over the following years. But in 2022, the investment firm went into liquidation. It later emerged that the firm was likely operating a scam.

In 2024, Miss P told HSBC about the scam and complained, arguing they should have prevented the loss. HSBC didn't think they were liable for Miss P's loss.

Our Investigator looked into things independently and didn't uphold the complaint. Miss P didn't agree, so the complaint's been passed to me to decide.

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 understand that Miss P fell victim to a scam, for which she has my sympathy. I appreciate this cannot have been an easy matter for her to face, I appreciate that the scam had a big impact on her, and I appreciate why she would like her money back. It's worth keeping in mind that it's the scammers who are primarily responsible for their own scam and its impact, and it's the scammers who really owe Miss P her money back. But I can only look at what HSBC are responsible for. Having carefully considered everything that both sides have said and provided, I'm afraid I can't fairly hold HSBC liable for Miss P's loss. I'll explain why.

It's not in dispute that Miss P authorised the payment involved. So although she didn't intend for the money to end up with scammers, under the Payment Services Regulations she is liable for her own payment and the resulting loss in the first instance. And broadly speaking, HSBC had an obligation to follow her instructions – the starting position in law is that banks are expected to process payments which a customer authorises them to make.

HSBC should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them, though a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. Given factors like how large and out of character this payment was, I agree that HSBC should've intervened. Because of the time that's passed, it's difficult to know whether they did or didn't. To be as fair to Miss P as possible, I'll operate under the assumption that they didn't.

Miss P felt that if HSBC failed to intervene, that should mean they're liable. I can understand her line of thinking. But that's not the case. I could only reasonably hold HSBC liable for the loss if they failed to intervene *and* intervention was most likely to have stopped the loss. If it's most likely that the loss would've happened regardless of whether HSBC intervened or not, then I cannot fairly hold them liable. Miss P pointed out that it would be hypothetical to conclude that intervention wouldn't have worked. And that's true. Equally, it would be hypothetical to conclude that intervention *would* have worked. The fact is that we don't know for certain what would've happened, so my task is to assess the case and think carefully about what's *most likely* to have happened. And that's going to involve hypotheticals one way or the other.

In this case, I'm afraid I've found it's most likely that reasonable, proportionate intervention would not have stopped the loss. Miss P had very good reason to believe that the investment firm was legitimate – and with that in mind, I hope she does not beat herself up for falling victim to a sophisticated scam. She'd been recommended this by a trusted family friend and business partner, who was a successful investor. Her parents – who were also experienced investors – had already invested in this after carrying out extensive research as part of a larger group of investors, had met the firm's directors in person multiple times, and had even visited the firm's offices to see their operation first hand. Both a financial advisor and the family accountant had been consulted and had reviewed relevant documentation, and neither found any concerns. It doesn't look like there would've been any warnings or relevant negative information available online at the time for Miss P or HSBC to find, and Miss P confirmed she'd carried out her own research and found nothing of concern. And Miss P had a signed written agreement with the firm.

As such, it seems the matter would've looked legitimate back then. I don't think HSBC would've had sufficient reason to be particularly concerned, let alone to have blocked the payment entirely. And it's unlikely that general scam advice would've prevented the loss – this was not a known prominent scam at the time, Miss P had already done things like getting financial advice and securing a written agreement, and she already knew the matter was unregulated. HSBC were not acting as Miss P's investment advisors here, so they didn't need to check how suitable the investment was for her, and they were not generally responsible for the investments Miss P made with other companies. Here, HSBC were just processing her payment. So I wouldn't have expected them to interrogate Miss P about what she was doing, nor to carry out a deep dive into the investment firm and look into how they allocated funds and so on. It wasn't possible for HSBC to read the administrator's report or other allegations years before they came out. And even Miss P's financial advisor and accountant couldn't uncover that there was anything wrong, despite their closer role in the matter and having access to relevant documentation. Given all that, it's not very likely or plausible that HSBC would've uncovered or prevented the scam when their role was just processing Miss P's payment. It's much more likely that Miss P still would've gone ahead even if HSBC had intervened and asked reasonable questions. So I cannot fairly or reasonably hold HSBC liable on that basis.

I've then considered what HSBC did to try to recover the money after Miss P told them about the scam. This payment pre-dated the CRM Code for scams, so it wasn't covered by that. And unfortunately, by the time Miss P reported the matter, the payment was a long time ago and the firm had already gone into liquidation. So I'm afraid there was nothing more that HSBC could've reasonably done to get the money back.

Finally, Miss P pointed out that some other scam victims managed to get money back. And again, I can understand why she thought to raise this point. But different cases often have different factors, such as different payments being made in different years, from different firms, using different methods, under different rules, by customers with different circumstances, and so on. We look at each case on its individual merits, and I've explained above why in *this* particular case I cannot reasonably hold HSBC liable.

So while I'm very sorry to hear about what the scammers did to Miss P, I don't think HSBC can fairly be held responsible for her loss. And so I can't fairly tell HSBC to reimburse Miss P in this case.

My final decision

For the reasons I've explained, I don't uphold this complaint.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 8 October 2025.

Adam Charles

Ombudsman