

The complaint

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

What happened

In summer 2024, Mrs B fell victim to an investment scam after seeing an advert on social media promising large returns. Over the course of several weeks she sent around £30,000 to the scammers, by making transfers from her HSBC account to her own account at an international transfer service, then sending the money on to the scammers from there.

HSBC spoke to Mrs B about the payments at the time. She gave them a detailed story about the funds being for a property she was buying and renovating in a Western European country with friends. This was based on a real plan she'd discussed with those friends. HSBC gave Mrs B tailored scam warnings but were otherwise reassured by her answers and let the money go through.

Mrs B was unable to withdraw her funds from the fake investment scheme and realised she'd been scammed. HSBC tried to recover the funds from the international account but they'd already been sent on. They didn't think they were liable for Mrs B's loss.

Our Investigator looked into things independently and didn't uphold the complaint. Mrs B's representatives 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 Mrs B fell victim to a scam, and so she has my sympathy. I appreciate this cannot have been an easy matter for her to face, 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 what happened, and who really owe Mrs B 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 can't fairly hold HSBC liable for Mrs B's loss. I'll explain why.

It's not in dispute that Mrs B authorised the payments involved. So although she didn't intend for the money to end up with scammers, under the Payment Services Regulations she is liable for the 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've been on the lookout for payments which could be the result of fraud or scams, though a balance must be struck between responding to potential fraud and ensuring there's minimal disruption to legitimate payments. I think HSBC should've intervened here, so I'm glad to see they did, even if perhaps they should have done so one payment earlier.

I've thought carefully about the intervention that happened here. HSBC asked reasonable questions, and asked probing follow-up questions – they didn't just take Mrs B's initial answers at face value. But Mrs B went into quite a bit of detail, giving a consistent and plausible story about her and her friends pooling money together to buy and renovate a property in a Western European country.

While HSBC went into the call understandably concerned about Mrs B's payments, she gave them sufficient details to reassure them that she was not at significant risk of foreseeable harm. For example, Mrs B talked about her travels to the country, gave details about the trusted friends involved and their plans, set out her total share at a reasonable number, assured HSBC she'd seen the property in person and was going again soon, assured them she had a lawyer in the country facilitating the matter as well as a friend, who had received the proper paperwork, and assured them her previous payments had been received. As this was based on a real plan Mrs B had really discussed with those friends, she was able to give convincing details, meaning HSBC couldn't reasonably uncover that she was misleading them. It also fit with the payments going to her account at the international transfer service, and with her recent loan and other payments referencing home improvements.

Mrs B's representatives felt it was implausible that she'd move money for renovations on a property she hadn't completed on yet. But I don't think it's particularly implausible that a group would want to pool their money in advance for renovations ready for completion, given that the main plan was to renovate the property. And Mrs B told HSBC she'd been in person and had a solicitor there. I don't agree that Mrs B initially forgetting how many payments she'd made was a sign she was being scammed. The representatives felt Mrs B's story was inconsistent about who was in the country, but they are mistaken. When she said there was "nobody in [the country]", it was in answer to the question of whether any *family members* were in that country. That is still perfectly consistent with her having a trusted friend and lawyer there – it is quite common to have friends and hire lawyers who are not family members. I find that her story was plausible and consistent overall, and that it meant HSBC did not have sufficient reason to think she was being scammed.

The representatives also made arguments about the Banking Protocol. But that relates to branch transactions, not online payments and phone calls. And, as I found above, Mrs B had reassured HSBC that she was not at a significant risk of foreseeable harm, meaning they did not have sufficient reason to think she was being scammed. So it would not have been reasonable or proportionate for HSBC to then take such strong measures as calling the police on her. Nor did HSBC have any requirement or proportionate reason to go through Mrs B's conveyancing paperwork here, as the representatives suggested.

Further, from the limited contact Mrs B has let us see with the scammers, I can see they were very clear with her that she must not mention her investment or everything would be blocked. They ordered her to follow their instructions, and to speak with the scammers if she wasn't sure what to say. And Mrs B did ultimately do what the scammers wanted, so it seems she was under their spell and motivated to protect her secret investment. HSBC also gave Mrs B tailored warnings, including details about scams relevant to her situation. But Mrs B chose to go ahead anyway. And Mrs B told the staff member that even if HSBC were not happy to put this payment through, she could just put it through a different way. All of this suggests that Mrs B was pretty determined to make these payments, and that further intervention would most likely not have stopped her.

Finally, I've considered what HSBC did to try to recover Mrs B's money after she told them about the scam. As these were payments made to an account in Mrs B's own name, they were not covered by the CRM Code for scams. And unfortunately, as Mrs B had already sent the money on from there, it wasn't possible for HSBC to get those funds back.

So while I'm very sorry to hear about what the scammers did to Mrs B, I don't find that HSBC failed in any particular duty to her, and I don't think HSBC can fairly be held responsible for her loss. And so I can't fairly tell HSBC to reimburse Mrs B 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 Mrs B to accept or reject my decision before 18 August 2025.

Adam Charles
Ombudsman