

## **The complaint**

Mr G is bringing a complaint against HSBC UK Bank Plc, after it decided not to refund him, following his scam claim.

## **What happened**

Mr G says a builder – S, turned up at his door and told him work needed doing to his house at a cost of £800. When the work commenced, Mr G was told other issues had been identified and an estimate of £75k to £91k was provided.

Mr G made several payments, totalling £95,751 between 30 May and 12 June 2024, to what he was thought, was a genuine builder.

Mr G says Trading Standards and the Police visited his property after a neighbour had concerns about the scale of the work being done. Mr G says “he was told in no uncertain terms” to cease the work given the price S had quoted and to stop dealing with S. Trading Standards had an expert chartered surveyor assess the work and produced a report. It says the work was unnecessary and the price was grossly excessive.

Mr G says the address for S was fake and he’d paid a different bank account, being told it was a relative of the builder.

HSBC deemed the matter a civil dispute and said it wouldn’t be refunding Mr G in this instance. It provided online warnings for two of the payments, when Mr G selecting paying for goods and services.

Mr G brought his complaint to our service. The investigator, as well as receiving information direct from a Trading Standards officer, has also spoken to Mr G over the phone.

Trading Standards contacted our service direct, and explained there was an on-going investigation into S. It said, although it couldn’t share the surveyors report, it could outline what the report included. Which said:

- The work on the main tiled roof was unnecessary.
- They were unable to comment on the condition of the brickwork to the rear of the chimney stack, but if it needed repointing then the cost should not have exceeded the original quote of £800.
- The total cost for stripping and relaying the original tiles on the pitched section of the roof should not have exceeded £19,000 plus the cost of scaffolding – if the roof had not been stripped the scaffolding would not have been necessary
- The quote for the scaffolding and roof works was grossly excessive and much of the work had not been completed.
- It believes the builder is guilty of two criminal offences – fraud by false representation and fraud by failing to disclose information.
- S has also failed to provide sufficient information for Mr G to locate him which means

Mr G cannot take civil action.

- Mr G was not provided with his 14-day cancellation rights by S.

The Trading Standards officer believed Mr G to be a vulnerable individual. Saying he lives alone and can become easily overwhelmed.

The investigator upheld the complaint, recommending a full refund, paying 8% simple interest on the refund, from the date Mr G's claim was declined, to the date of settlement. He also recommended £300 in compensation be paid for the distress and inconvenience caused by HSBC when it declined his claim. He said he was satisfied Mr G had been the victim of a scam, rather than this being a civil dispute based on the evidence from the Trading Standards officer. And he thought Mr G had a reasonable basis for believe when making the payments, given his personal circumstances and that he was likely targeted by the scammers.

HSBC said it did not believe this was a scam.

- It says S appears to be a genuine company with a genuine website with 4.7/5 rating. It believes Mr G paid a legitimate builder but the goods and services were not as expected, rather than there being evidence of an intent to scam Mr G.
- Mr G instructed the builder to stop the work and an assumption has been made that the builder wouldn't have completed the work but there is no evidence to support that claim.
- And, even if the CRM code applies, Mr G did not have a reasonable basis of belief when making the payments. It says the cost of the work is wildly disproportionate, somewhere between three and four times the true cost of the work that was proposed. And a reasonable person would have had a broad idea as to the cost of the proposed work.
- It says Mr G made no attempts to get a second opinion and therefore Mr G was grossly negligent, and no refund is due under the code. And he paid £94,000 upfront, when little to no work, had been done.
- And the investigator didn't take into account if Mr G received any value from the work that was completed, even if it was unnecessary.

Ultimately, HSBC didn't accept the findings and asked for an ombudsman to review the complaint.

### **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 come to the same conclusion as the investigator for largely the same reasons. I'll explain why.

#### Has Mr G been the victim of an APP scam?

The events, as the Trading Standards officer has described them, have all the hallmarks of Mr G falling victim of a rogue builder or trader scam. And I have no reason to disbelieve what he describes as happening.

- Mr G received a knock at his door. He was told his roof needed some repair at a reasonable cost.

- Then when work started, money for more work was extorted from Mr G.
- The Trading Standards investigator makes it very clear that the work S quoted for was both unnecessary and overpriced.
- And any work that was completed was not completed to an appropriate standard.

It appears Mr G thought he was dealing with a genuine building company with a good reputation, but Mr G hasn't paid that company – rather a different individual. It's not clear if this individual was impersonating the firm, or indeed did work for the firm and has gone rogue in some capacity. But either way Mr G's funds did not go to the company that HSBC says is genuine.

With this information in mind I'm satisfied this is a scam, rather than a civil dispute. I'm persuaded that S started a small amount of work on Mr G's home, in order to elicit further payment from him, which was by its very nature intended to defraud him. The evidence and comments from the Trading Standards officer is persuasive evidence of the intentions of S at the time it took Mr G's payment. Mr G's scam claim therefore, is covered by the CRM Code.

HSBC provided two online warnings to Mr G. These were presented in response to Mr G selecting "buying goods and services" as the purpose for the payments. These warnings focus on social media interactions and warn consumers to research the seller online. Mr G was dealing with the scammers in person and he found the website for the company he thought he was dealing with. But ultimately these warnings don't relate to the type of scam he fell victim to. And so I've seen no evidence that HSBC provided effective warnings as per the firms' standards under the CRM Code. Therefore, I agree with the investigator that HSBC ought to refund Mr G under the code.

#### Should Mr G receive a full refund?

As I'm satisfied that Mr G was scammed, the next issue I need to consider is whether Mr G should receive a full refund for his losses, or if an amount should be deducted from an overall refund.

Like the investigator, I'm satisfied Mr G should receive a full refund. The Trading Standards officer involved in the case has described Mr G, as very likely being targeted by the scammers. And he fits the typical demographic for this scam, by living alone and being elderly. The officer also describes Mr G as a vulnerable individual. Saying he lives alone and can become easily overwhelmed. This is also supported by the fact that Mr G himself didn't have concerns about the builder and the work, but rather it was a neighbour who called the Police and Trading Standards direct.

I haven't got direct evidence that Mr G was vulnerable in the sense that he couldn't have protected himself from this type of scam. But listening to the call our investigator had with Mr G, I can hear Mr G struggled to recall all the details of the events. And it's certainly possible that Mr G was vulnerable and was easily overwhelmed. So, I haven't made a finding Mr G was vulnerable, as per the CRM code and its definitions.

But in any event, given what we know about these types of scams, I think Mr G had a reasonable basis of belief when acting as he did. Mr G was likely pressured to act quickly, by the builder and told the work needed to be done imminently, likely because the builder had caused some damage when they were on site.

HSBC believes that a reasonable person ought to have understood the true nature of the cost involved for the work quoted, or that Mr G ought to have sought a second opinion. But I don't think HSBC has considered the situation Mr G found himself in. And the likely pressure

that was being put on him. If the builders were on site and applied any sort of pressure or sense of urgency to the matter, I think it would have been reasonable for Mr G to feel he needed to act quickly and instruct the builders to carry out the repair work as they were on site.

I'm also satisfied Mr G also reasonably believed he was dealing with a genuine building company and the quote he received had its logo on it. And although he paid a personal bank account, in a different name to that of the builder, Mr G was told this was a family member, so he didn't think it was suspicious. I don't think it was unreasonable for Mr G to have continued on this basis, given his interactions with the builder at this point and the need or desire to sometimes pay individuals direct for goods or services.

Based on what the Trading Standards officer has described and Mr G's recollections of the events, I think Mr G acted reasonably in all the specific circumstances of this complaint. In particular paying attention to his: age, living status, the fact he was likely targeted by the scammers, pressured to make payments to the scammers quickly, and damage had been caused to his property.

HSBC has said the investigator failed to consider any value of work that was provided and whether a deduction should be made to any recommended refund. But the only work completed seems to have been unnecessary so I can't see that it would be reasonable to deduct anything for this. And damage was caused to the property which resulted in further costs. So, I don't think a deduction, in these particular circumstances is reasonable.

The investigator recommended that HSBC pay Mr G £300 in compensation, for the unfair decline of his claim. HSBC in its response, didn't specifically reject this recommendation. And having considered it further, I agree this is a fair recommendation in the circumstances. Mr G's claim doesn't appear to have been considered in much detail or the very specifics of the situation he found himself in. And the impact this will have had on him, given his age and ability to restore his home, after the damage that had been caused by S. Mr G has needed to pursue his claim for a considerable length of time, to be able to receive the refund and so I agree £300 is fair compensation for the overall trouble and upset caused here.

### **Putting things right**

Overall, and for the reasons set out above, I'm satisfied that HSBC should've reimburse Mr G under the provisions of the CRM Code. And, in those circumstances, I direct HSBC UK Bank plc to now fairly and reasonably compensate Mr G by:

- Refunding Mr G in full for his losses
- Pay Mr G 8% simple interest, from the date it declined Mr G's claim to the date of settlement
- Pay £300 in compensation to Mr G.
- If HSBC considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr G how much it's taken off. It should also give Mr G a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

### **My final decision**

I uphold Mr G's complaint against HSBC Bank UK Plc in full and direct it to settle the complaint as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 28 October 2025.

Sophia Smith  
**Ombudsman**