

## **The complaint**

Miss S complains that HSBC UK Bank Plc (“HSBC”) hasn’t protected her from losing money to scammers, and that it’s unfairly holding her liable for the debt on a loan which she says she didn’t apply for.

## **What happened**

The background to this complaint is well known to both parties, so I won’t repeat everything here. In brief summary, Miss S has explained that in 2024 she made numerous payments from her HSBC account for what she thought were for legitimate purposes, and that, as part of this, a loan was taken out with HSBC in her name. Miss S subsequently realised she’d been scammed and got in touch with HSBC. Ultimately, HSBC didn’t reimburse Miss S’s lost funds, and Miss S referred her complaint about HSBC to us. As our Investigator couldn’t resolve the matter informally, the case has been passed to me for a 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.

Having done so, I’ve decided to not uphold Miss S’s complaint for materially the same reasons as our Investigator.

I’m very aware that I’ve summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I’ve focused on what I think is the heart of the matter. If there’s something I’ve not mentioned, it isn’t because I’ve ignored it – I haven’t. I’m satisfied I don’t need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this, reflecting the informal nature of our service as a free alternative to the courts.

I don’t doubt Miss S has been the victim of a cruel scam here. She has my heartfelt sympathy. Ultimately, however, Miss S has suffered her loss because of fraudsters, and this doesn’t automatically entitle her to a refund from HSBC. The Payment Systems Regulator’s APP scam reimbursement rules introduced on 7 October 2024 aren’t retrospective so don’t apply to the payments Miss S made. And the Contingent Reimbursement Model introduced in 2019 doesn’t apply to payments made to the consumer’s own account, nor to card payments. So these reimbursement schemes don’t apply here. Still, there are other various and longstanding expectations of payment service providers like HSBC to be alert to fraud and scams and to act in their customers’ best interests. But it would only be fair for me to tell HSBC to reimburse Miss S her loss (or part of it) if I thought HSBC reasonably ought to have prevented the payments (or some of them) in the first place, or HSBC unreasonably hindered recovery of the funds after the payments had been made; or if I was otherwise satisfied HSBC was at fault and caused loss by wrongly granting the loan; and if I was satisfied, overall, this was a fair and reasonable outcome.

I’m satisfied Miss S authorised the relevant payments. HSBC would generally be expected to process payments a customer authorises it to make. And under The Payment Services

Regulations and the terms and conditions of the account, Miss S is presumed liable for the loss in the first instance, in circumstances where she authorised the payments. That said, as a matter of good industry practice HSBC should have taken proactive steps to identify and help prevent transactions – particularly sufficiently unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there are many payments made by customers each day and it's not realistic or reasonable to expect HSBC to stop and check every payment instruction. There's a balance to be struck between identifying payments that could potentially be fraudulent, and minimising disruption to legitimate payments (allowing customers ready access to their funds).

In this case, however, I'm aware that Miss S instructed payments as a result of this scam not just from her HSBC account, but also from accounts she held with third-party payment service providers I'll call Bank H, Bank R, and Bank S, who did intervene in some of the payments Miss S instructed. Our Investigator went into some detail around this and there's no need for me to repeat everything here. Like our Investigator, I'm satisfied from the nature of these interventions from Bank H, Bank R, and Bank S, that Miss S was warned that she was likely falling victim to a scam. She wasn't upfront about the real reasons she was making the payments. I can also see from Miss S's WhatsApp chats with the scammers that Miss S was under the spell of the scam and scammers and taking their guidance on how to circumnavigate the banks' questions and concerns about her payments. This was despite Miss S having been clearly warned about the red flags present in her circumstances.

I've thought very carefully about what then happened on 16 July 2024 when Miss S finally revealed the name of the investment company she thought she was dealing with during an intervention call from Bank H. However, I note that despite very clear warnings that Miss S was being scammed from Bank H, Miss S nonetheless proceeded to be persuaded by the scammers into making further payments in any event.

Notwithstanding this, I've thought carefully about what I think likely would have happened if HSBC had intervened even more robustly than Bank H, Bank R and Bank S did, because there is a very good argument to say that it should have done. And I accept that if Miss S had been forced into branch to discuss the payments and if Banking Protocol had been implemented, it's possible this would have led to her opening up fully, enabling the most robust warnings to be provided to try to avoid further losses.

In this case, however, I think it's more likely that any such robust intervention from HSBC wouldn't, unfortunately, have sufficiently dissuaded Miss S. I say this because Miss S continued to allow the scammers to talk her into making further payments even after she'd been given very clear information that she was being scammed. I don't think Miss S's contact with the scammers would have immediately stopped no matter what HSBC did. And given the nature of her messages with the scammers, I think it's most likely that the scammers would, one way or another, have been able to persuade Miss S to make further payments of such value. It doesn't seem that action from HSBC is likely to have been able to ultimately halt this. Ultimately, I think Miss S would have remained intent on making payments of this size in the face of clear warnings she was being scammed. I'm therefore not persuaded I can say HSBC is the cause of Miss S's loss, nor therefore that it would be fair for me to hold HSBC responsible for the loss.

In terms of the payment Miss S made to the separate safe account scam, I agree with our Investigator that I wouldn't expect HSBC to have intervened in that given its nature. It just wouldn't have been sufficiently concerning from a fraud and scams monitoring perspective.

I also wouldn't reasonably expect HSBC to have been able to recover Miss S's lost funds in the particular circumstances of this case, given that they were paid into another account Miss S held with a different provider and lost to the scammers from there, before Miss S

notified HSBC that she'd been scammed. Like our Investigator, I also haven't seen sufficient evidence the credit card payment was lost to the scam, nor that recovery of this is likely to have been a realistic prospect given the circumstances. This means I can't fairly hold HSBC responsible for Miss S's funds not having been recovered.

Finally, I've thought about what Miss S has said about the HSBC loan. But for the same reasons as our Investigator explained, I'm persuaded that this loan was taken out with Miss S's knowledge and consent. I am very sorry that Miss S has subsequently lost these loan funds to scammers, and ultimately I'm very sorry for what happened and I understand this whole situation is devastating for Miss S. But ultimately the fraudsters are the root cause of this. HSBC granted the loan in good faith and, as I've said, I'm not persuaded any intervention from HSBC – even really robust intervention – is likely to have been able to have changed what ultimately happened here in terms of Miss S's losses.

I've considered everything Miss S and her representative have said and I'm really sorry Miss S was scammed and lost so much money. However, despite my natural sympathy, I can't fairly tell HSBC to reimburse her when I'm not persuaded HSBC, reasonably, was the cause of her loss.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 9 January 2026.

Neil Bridge  
**Ombudsman**