

The complaint

Mr G complains HSBC UK Bank Plc won't reimburse money he lost when he fell victim to a scam. He also says there have been multiple service issues with HSBC and is unhappy with the compensation offered.

What happened

Mr G paid funds using his debit card for online gambling, totalling almost £400, in December 2024. However, he says he discovered within two hours it was a scam because he was unable to withdraw any of his funds. He then contacted HSBC to raise a chargeback request, but was informed due to an internal policy it would not do so.

Mr G states he has previously had successful chargebacks for similar situations with other banks – and even with HSBC. So, he thinks he was given incorrect information and the service given seems to depend upon the advisor appointed.

Mr G has also raised service failings including, but not limited to, issues with the HSBC app, incorrect information given by staff and a lack of support due to poor customer service.

HSBC is defending its decision not to attempt a chargeback for Mr G's lost funds, as it said they were linked with gambling activities and there was no evidence to show the deposits did not reach his gambling platform's account. However, HSBC accepted that service failings did occur and awarded Mr G £225.

Our Investigator didn't uphold the complaint as he did not consider there was sufficient evidence to show a loss occurred from a scam. However, he noted that even if it were a scam the payments were not of a value which ought to have caused HSBC any concern. Therefore, he would not have expected any intervention. Our Investigator also considered the chargeback claim would not have had reasonable prospects of success, which meant HSBC did not act incorrectly by choosing not to proceed with it. Similarly, our Investigator also considered the £225 offer for the service failings reasonable.

Mr G did not accept our Investigator's view and, amongst other things, highlighted a well-known review website which showed other customers of the gambling site claimed it to be a scam. He maintains his funds could have been successfully recovered from the gambling site. He also questions whether the full circumstances of his HSBC service failings complaint have been considered.

As our Investigator was unable to resolve Mr G's complaint informally it has been passed to me to issue 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 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 here. If there's something I've not mentioned, it isn't because I've ignored it. 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. This simply reflects the informal nature of our service as a free alternative to the courts.

I have kept in mind that Mr G made the payment himself and the starting position is that HSBC should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) Mr G is presumed liable for the loss in the first instance. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made. In line with this, HSBC ought to have been on the look-out for the possibility of fraud.

I've considered the evidence available, but I can't fairly conclude that Mr G has lost the disputed funds as the result of a scam. It seems a dispute occurred between Mr G and the gambling operator when he questioned it about verification and ID. He says at this stage he was ignored and the funds disappeared. However, as Mr G has closed his account I've no transaction data to see what his exact loss was, or what actions took place on his account. It currently seems more a civil dispute between himself and the gambling operative.

I have noted within the information Mr G has supplied to evidence his loss is a link to a well-known review website, which includes some reviewers saying they've been scammed. However, this is not sufficient evidence that a scam occurred. Similarly, Mr G choosing to use a gambling website regulated outside of the UK does not mean the website is scamming its users. I've not discovered any active warnings listed against this firm suggesting so either.

For completeness, I'll add I agree with our Investigator the amounts in question that Mr G sent were not of a value I would have expected an intervention from HSBC. They were not of such levels that HSBC ought to have been concerned he could be at risk of financial harm. Even if the funds were identifiably going to a gambling operative I do not think this, in isolation of any wider concerns, ought to have caused HSBC any concern.

Service failings

I agree with Mr G that clearly there were ongoing service failings or, as he highlights, he would not have continued with the complaint's process. I also do not doubt that having lost funds, especially when under the belief it was due to a scam, would have further exasperated this experience for Mr G. I think there was some useful feedback for HSBC to take note of from his points. Considering HSBC attempted to resolve the complaint with Mr G, including offering him distress and inconvenience payments totalling £225, it seems it has taken these points seriously.

Although I appreciate Mr G is seeking a higher financial award for HSBC's failings, it would not be reasonable for me to increase it further based on what occurred here. I do not say this to minimise the impact these issues clearly had on Mr G. But I've not been supplied with any evidence showing any wider consequential losses or impact which, but for HSBC's inadvertent failings, would not have occurred. Ultimately, £225 is in line, if not more than, what I would have offered had HSBC not pre-emptively done so for the distress and inconvenience caused by its actions.

Recovery

A chargeback is something a bank can raise where there is a dispute between two parties. It is not a consumer right but can be good industry practice for banks to help their customers. However, there is never a guarantee a chargeback will lead to the recovery of funds.

I've noted Mr G's point that the gambling operator in question was operating illegally as it was doing so without a UK license. However, as it wasn't regulated here, and as it was based outside of the UK, there's little protection in place for consumers who use its website or services. Ultimately, anything linked with the regulation of the gambling industry in the UK is a matter for the Gambling Commission and not us. In relation to his dispute with HSBC, I'm not aware of any chargeback condition relating to the license of the gambling operator that would have helped Mr G reclaim his money.

Consequently, based upon the available evidence I think HSBC's decision not to progress with Mr G's chargeback was reasonable in the circumstances. Ultimately, I have not seen sufficient evidence showing the issues Mr G has claimed he had with the gambling operator. However, I do think HSBC could have given Mr G a bit more of an explanation as to why it was not proceeding with a chargeback attempt, rather than just saying because of its internal policy. In fact it does seem HSBC did consider Mr G's chargeback request before deciding not to proceed. However, this lack of detailed explanation is not something I would consider making a financial award for.

Mr G has referenced other similar chargeback situations which were successful. However, I'm unable to comment on the circumstances of the other situations and can only base my findings on the individual facts of this one.

I am sorry to hear of the vulnerable situation Mr G is now in because of his loss and HSBC's service issues. However, on the balance of the available information, I do not think HSBC need take any further action.

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 Mr G to accept or reject my decision before 10 October 2025.

Lawrence Keath
Ombudsman