

The complaint

Mr M complains that HSBC UK Bank Plc did not reimburse the £800 he says he lost to a scam.

What happened

Mr M made a payment of £800 on 28 June 2024 for a company I will refer to as 'F' for the purposes of this decision. He was purchasing car parts on behalf of a friend who lived abroad and he asked F to deliver the items to his friend directly. However, Mr M says the parts were never received. He raised this with F directly but says he never received a response. He then raised a scam claim with HSBC, and they attempted to recover the funds from the beneficiary bank. However, this was unsuccessful when the receiving bank did not have concerns about the payment.

HSBC informed Mr M that they felt F was a genuine company and this was therefore a civil dispute, so they did not agree to reimburse him under the Lending Standards Board's Contingent Reimbursement Model ("CRM") Code. Mr M disagreed and referred the complaint to our service.

Our Investigator looked into the complaint and after reviewing the receiving bank statements also felt F was a legitimate company. So, they felt this was a civil dispute under the CRM Code and did not think HSBC was liable to reimburse Mr M.

Mr M disagreed with the outcome and highlighted negative online reviews about F. He also provided correspondence between himself and F which he felt showed the parts were not delivered.

As an informal agreement could not be reached, the complaint has been passed to me for 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.

It isn't in dispute that Mr M authorised the payment of £800. Because of this the starting position – in line with the Payment Services Regulations 2017 – is that he's liable for the transaction. But he says that he has been the victim of an authorised push payment (APP) scam.

HSBC has signed up to the voluntary CRM Code, which provides additional protection to scam victims. Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam (except in limited circumstances). But the CRM Code only applies if the definition of an APP scam, as set out in it, is met. I have set this definition out below:

...a transfer of funds executed across Faster Payments...where:

- (i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or*

(ii) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.

The CRM Code is also explicit that it doesn't apply to private civil disputes. The wording in the code is as follows:

"This Code does not apply to:

b) private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier."

I've therefore considered whether the payment Mr M made to F falls under the scope of an APP scam as set out above. Having done so, I don't agree that it does. I'll explain why in more detail.

The Code sets out that it does not apply to instances where a legitimate supplier for goods has been paid but these goods have not been received. Mr M has said he paid F for goods but did not receive them, so what's left to be determined is if F is a 'legitimate supplier'.

Mr M has provided online reviews of F and I have also looked at online reviews for F myself. Within these, I do accept that there are some negative reviews which range from goods not being received to poor service being provided by F. But I also have to consider that there are a large number of positive reviews from what appear to be genuine customers. I say 'genuine' because these individuals have carried out other, non-related reviews and have also provided detailed positive reviews for F along with photographs. So, while the mix of reviews may show an inconsistent service from F, they do not suggest to me that F is not a legitimate company as a whole.

I have also considered the receiving bank statements for F's business account, though I cannot go into detail about what these show due to data protection issues. However, I can confirm that the account operates as I would expect for a business that trades in buying and selling vehicle parts. And nothing I have seen indicates Mr M's funds have been misappropriated.

While the e-mail chain Mr M has provided does suggest the items may not have been delivered, this alone does not mean Mr M has been the victim of an APP scam. From what I have seen, I think it is more likely F is a legitimate company, which may not have provided the goods Mr M purchased. But this therefore means the payment Mr M made of £800 is not covered under the CRM Code, as we would consider it to be a civil dispute as set out above.

I've considered if there is any other reason why HSBC should reasonably have had concerns Mr M could be at risk of financial harm when he made the payment and intervened prior to it being processed. However, due to the relatively low value of the payment and the fact Mr M had made many other higher value payments from his account, I do not think the £800 would have looked suspicious when compared to his genuine account activity. So, I think it was reasonable that HSBC did not flag the payment as unusual.

I have also considered HSBC's actions once Mr M raised a scam claim. I can see they quickly contacted the receiving bank to request a refund, but when the receiving bank confirmed they did not think this was an APP scam, HSBC withdrew the claim. I therefore think they acted reasonably in trying to recover the funds.

Having carefully reviewed everything available to me, I do not think HSBC needs to reimburse Mr M with the £800 he has raised a scam claim for.

My final decision

I do not uphold Mr M's complaint against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 25 November 2025.

Rebecca Norris

Ombudsman