

The complaint

Mr H complains that HSBC UK Bank Plc won't reimburse him money he lost to fraud.

What happened

As the circumstances of this complaint are well-known to both parties, I have summarised them briefly below.

Mr H sought the services of an Architect to assist him with an overseas building project and employed the services of a person I will refer to as Mr S.

Between 22 June and 7 July 2024, Mr H made three transactions from his account held with HSBC. The payments were made to Mr S for the work he'd agreed to carry out on the project.

During the course of the project, Mr H became dissatisfied with the services he was receiving from Mr S. He has described Mr S's work as sub-par and his behaviour as unprofessional.

Mr H also found that Mr S was not registered with the relevant board, required by law in the UK to use the official Architect title. He found this to have been a misrepresentation of Mr S's qualifications, and therefore concluded that he'd been the victim of fraud.

Mr H reported the matter to HSBC, asking it to consider his complaint under the provisions of the Contingent Reimbursement Model (the CRM Code). HSBC investigated Mr H's claim but concluded it was not liable for his loss. It found that it had sufficient preventative measures in place at the time of processing the payments. It also found that Mr H ought to have done more to protect himself.

Mr H remained unhappy, so he referred his complaint to our service for an independent review. But after an Investigator considered the evidence provided by both parties, they concluded that Mr H had not likely been the victim of fraud. They therefore found that HSBC had no liability over Mr H's losses.

Mr H disagreed with that assessment, so the matter has now 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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

There is no dispute here that Mr H authorised the transactions in question. And the starting position in law is that he will be held liable for the transaction authorised in the first instance.

That is due to HSBC's primary obligation to process payments in line with its customer's instructions, as set out in the Payment Services Regulations 2017.

However, HSBC was a signatory to the Lending Standards Board's CRM Code at the time the payments were made. Under that Code, firms are expected to reimburse customers who fall victim to fraud, subject to a number of conditions and exceptions.

However, the CRM Code is only relevant if I'm persuaded Mr H was a victim of fraud. The Code specifically doesn't cover certain types of disputes. It says:

"This Code does not apply to...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".

Likewise, even had the payments not fallen within the scope of the CRM Code, HSBC has no liability to reimburse Mr H his loss from a bank transfer where the matter is deemed a civil dispute, such as where he paid a legitimate supplier of services and those services were either not received or of below expected standards.

From the information provided so far by Mr H, I'm not persuaded he has likely been a victim of fraud.

It is generally accepted that Mr S did submit *some* work to Mr H for the fee he had paid, but that was to an unsatisfactory standard. Mr S also engaged with Mr H once he was put on notice that he was unhappy with the quality of the work submitted. Further, Mr S's bank statements also reveal that he was not attempting to move Mr H's funds on rapidly, which a fraudster intent on stealing would tend to do knowing that these funds could be recovered. So, taking all the above into account, I find it likely that Mr S did intend to carry out the work he had been employed to do.

However, much of Mr H's argument surrounds the misrepresentation of the use of the title 'Architect' when Mr S offered his services for the project. Mr H is correct that the use of the title 'Architect' is protected in UK law. And misuse of that title can be prosecuted criminally by the Architects Registration Board (ARB). However, providing architectural services in the UK is not restricted by law and can be carried out by any persons, regardless of qualifications.

Mr S did, in some of his correspondence and contractual agreement, use variations of the title 'Architect'. And I concur with Mr H's point that this may be contrary to the Architects Act 1997. But it doesn't automatically follow that Mr S set out with the intention to defraud him.

Numerous online sources confirm that Mr S has in fact successfully delivered architectural services for numerous projects. Sources also confirm that he holds a relevant master's degree in architecture from a reputable overseas university. While he may have not been permitted to use the title in the UK, he likely did hold the relevant skills to complete the work paid for.

Furthermore, Mr S at no stage made any false representations regarding his qualifications or registration in the UK. At no stage did he explicitly claim to be a UK ARB registered Architect or present any false evidence regarding his credentials.

While I concede that Mr S likely was using unacceptable variations of the title, such as 'Design Architect', I don't find that he misrepresented his qualifications or registrations. I also find it likely that he intended to complete the work he was paid to carry out and attempted to engage and resolve matters when Mr H voiced his concerns.

For these reasons, I'm not persuaded that Mr H's circumstances meet the definition of a fraud, as set out in the CRM Code. I therefore cannot reasonably hold HSBC liable for his loss, regardless of the actions it did or did not take when processing the payments.

I appreciate that Mr H has pointed out that even HSBC in its final response letter said that he'd been a victim of fraud. But I cannot comment on why HSBC decided to treat the matter as such. It is my role to look at the evidence independently and decide the case based on that evidence. And having done so, I'm not persuaded that this meets that bar. But should any new evidence come to light in the future that strongly supports Mr H's assertion that he has been defrauded, he can present that new evidence to HSBC for further consideration.

My final decision

For the reasons I have given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 30 December 2025.

Stephen Westlake
Ombudsman