

The complaint

Mr B complains that HSBC UK Bank Plc (HSBC) is refusing to refund him the amount he says he lost as the result of a scam.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr B tells us that he found an investment video on social media for a company I will call "X" that advertised returns of between 50-100% within six months. Mr B says all the comments on X appeared to be positive, so he decided to invest.

Having made multiple payments into the investment on the advice of a broker Mr B says he attempted to make a withdrawal but was then unable to contact X and he realised he had fallen victim to a scam.

Mr B made 175 payments to multiple genuine merchants from 9 September 2024 to 7 October 2024 for values ranging from £18.29 to £54.16.

Mr B says he contacted the merchants after realising he had been scammed but only one provided a refund.

Mr B says having spoken with his family he deleted all evidence of the scam in fear of his mobile device being hacked. As such there is very limited information to support what Mr B has told us.

Our Investigator considered Mr B's complaint and didn't think it should be upheld. Mr B didn't agree, so this complaint has 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.

Not every complaint referred to us and categorised as an investment trading scam is in fact a scam. Before I can investigate a case as a scam, I need to see enough evidence to show a scam has taken place.

The payments Mr B says he made in relation to the scam were made to multiple different genuine merchants for small amounts using his debit card over just under a month.

Mr B has not been able to provide sufficient evidence to support his claim that a scam has taken place although even if I was to accept that Mr B had fallen victim to a scam, I would not be able to ask HSBC to refund the amounts he lost. I will explain why.

Recovering the payments Mr B made

Mr B has disputed multiple small payments he has made to multiple different genuine merchants using his debit card.

The chargeback scheme is voluntary and run by the card issuers and not HSBC. Its purpose is to resolve disputes between merchants and consumers. In this case, Mr B's dispute is with who he says was a scammer and not the merchants. I think it's most likely the merchants have provided the goods/services/currency that was paid for in return for the payments that were made.

As these goods, services and currencies were likely exchanged, given the merchants were genuine, any attempt to recover the payments would likely have no chance of success.

Should HSBC have reasonably prevented the payments Mr B made?

It has been accepted that Mr B authorised the payments that were made from his account with HSBC, albeit he says, on X's instruction. So, the starting point here is that Mr B is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether HSBC should have had concerns that Mr B was likely falling victim to a scam and was at risk of financial harm

Although Mr B made multiple payments in the same day this was not unusual given his usual spending habits. The payments were also being made to genuine merchants and were for low values that I don't think would have reasonably caused HSBC to have concerns, so I don't think it was unreasonable that it didn't intervene when the majority of the payments were made.

However, Mr B was required to confirm it was him making some of the payments using the 3DS secure. This is not surprising considering Mr B has not denied it was him making the payments.

As I don't think HSBC should reasonably have had concerns that Mr B may have been falling victim to a scam, even if I was to say Mr B had been the victim of a scam, I don't think HSBC would be to blame for Mr B's loss or be responsible for refunding him.

I can see that HSBC paid Mr B £100 compensation for the service he received and offered him a further £150. Overall, I think this offer is reasonable and I won't be asking HSBC to increase this.

Mr B has also mentioned several other arguments that have not changed my decision on his complaint.

Mr B has mentioned the possibility of being refunded for his loss in line with the Contingent Reimbursement Model (CRM) Code. But this code does not apply to payments made by card, so does not apply in these circumstances.

Mr B also mentioned that the High Court decision in *Philipp v Barclays Bank UK Plc* [2022] EWCA Civ 318 (upheld on limited grounds by the Supreme Court in 2023) underscores that banks may be liable for failing to prevent fraud if they ignore warning signs or fail to act with reasonable care when customers are at risk. He says the payments he made should have caused HSBC to have concerns. But I have already explained above that I don't think the

payments were so unusual and were individually for low values made to genuine merchants. So, this doesn't have an impact here either.

Mr B says that HSBC failed to act in accordance with the PSRs 2017 and FCA Principles and that it should have had cause for concern and intervened more than it did. I have already covered this above and while there is not sufficient evidence a scam took place even if there was, I still don't think HSBC was required to intervene further than it did.

Mr B says HSBC has taken a narrow approach to chargebacks. I don't think HSBC has done this as far as Mr B has told us he experienced a scam and does not have a dispute with a retailer or any other company he made an agreement with. It is not clear what the payments were for or what was expected to be received. Therefore, the chargeback process is not available to these payments and would not have any prospects of success.

Mr B says there has been a disregard of evidence due to absence of screenshots. As I have said above Mr B has provided very little evidence to support his version of events other than his testimony. While this does go some way to explaining what he said happened I still don't have enough to say with certainty that a scam took place.

Mr B says we have not approached his complaint consistently and in line with how we have other cases that have been brought to our service. But each case has different circumstances, and I have approached Mr B's case fairly and reasonably based on the information available.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 1 August 2025.

Terry Woodham
Ombudsman