

The complaint

Mr and Mrs C complain about HSBC UK Bank Plc.

They say that HSBC didn't do enough to protect them when they fell victim to a scam and would like HSBC to refund them the money they have lost.

What happened

In May 2020, Mr and Mrs C unfortunately fell victim to a scam and lost £26,192.60.

In May 2024, they complained to HSBC about what had happened, and HSBC refunded them the full amount of their loss.

However, HSBC declined to pay 8% simple interest on the amount refunded – which Mr and Mrs C contest.

A complaint was brought to this Service and considered by our Investigator. The last view sent by our Investigator explained that HSBC had done more than this Service would expect in terms of putting things right.

They explained that this Service did not consider that the first payment of £4,584.50 to have been sufficiently unusual enough for HSBC to have intervened – and so we would not have recommended HSBC to refund it. They also explained that the second payment of £21,600 required a better intervention from HSBC, but as Mr and Mrs C were not as careful as they should have been before parting with their money to the scam this Service would have recommended HSBC to pay 50% of this amount to Mr and Mrs C.

However, HSBC has already refunded 100% of the payments to Mr and Mrs C. So, while this Service would normally recommend a business pay 8% simple interest on top of redress, in this instance, the amount already paid by HSBC exceeded this amount. So, they didn't ask HSBC to do any more.

Mr and Mrs C did not accept this – and asked for an Ombudsman to make a final decision, so the complaint has been passed to me.

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 am not going to direct HSBC to pay Mr and Mrs C 8% simple interest (less any lawfully deductible tax) on top of the refund it has already provided to Mr and Mrs C – for broadly the same reasons as our Investigator. I'll explain why.

For the initial payment Mr and Mrs C made, I don't think there was any need for HSBC to have had concerns that they may have been at risk from financial harm – while Mr and Mrs C say that HSBC should have known that they were being scammed, I can't agree.

Mr and Mrs C had made similar sized payments previously, and while the payment was going internationally, it isn't unusual for people to sometimes make these types of payments and businesses can't be expected to intervene in every such payment.

So, although HSBC has already refunded this amount, I would not have recommended that they do so. Which means I cannot direct it to pay 8% simple interest (less tax) on this amount.

HSBC already recognised that it could have done more for the second payment – and has refunded this in full.

I agree with HSBC's assessment that it could have done more to protect Mr and Mrs C – although it did intervene with the payment, it didn't go as far as it should have done to explore what was really going on.

However, I also don't think that Mr and Mrs C were as careful as they should have been either before parting with their money. In circumstances like this, I would usually apply a deduction in redress of 50% for contributory negligence. This means that I would be recommending HSBC refund 50% of the payment, plus 8% simple interest (less tax).

The reasons I would apply contributory negligence to the refund are as follows;

- Mr C was contacted out of the blue by an individual claiming to have information about unsold shares of around £4,000. Mr C confirmed that these shares had been purchased in 2002 and subsequently sold. So, I don't find it plausible that there were still shares that Mr C didn't have knowledge of.
- Mr and Mrs C attempted to contact the legitimate company 'E' who the scammer was impersonating – but didn't hear back from them prior to deciding to make the payment. So it is clear that Mr and Mrs C had some concerns about the legitimacy of the scammer, but decided not to wait for an answer.
- Mr and Mrs C were instructed to make payments to two different accounts held in names that appear to be irrelevant to the company they thought they were dealing with.

For completeness, even if I was to accept that HSBC should have intervened from the initial payment Mr and Mrs C made – this still would not result in a more favourable outcome for Mr and Mrs C – as I would still be recommending a deduction of 50% for contributory negligence on the redress – meaning a refund of £13,096.30, plus 8% simple interest (less tax).

This would still not reach the amount that HSBC has already refunded them. So, I do not direct HSBC to do anything further.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs C to accept or reject my decision before 28 November 2025.

Claire Pugh
Ombudsman