

The complaint

Mr A complains that HSBC UK Bank Plc won't reimburse him, after he believes he fell victim to a scam.

What happened

The circumstances of this complaint have already been set out in detail by our investigator so I won't repeat them in detail here. But briefly, both parties accept that in May 2024, Mr A attended a property investment event where he was offered to purchase an apartment abroad in instalments. Mr A has explained he questioned at the time whether there was an opportunity to sell the property, should he be unable to proceed with repayments, which the agent confirmed he could do, once 20% of repayments had been made. Mr A also received confirmation of this in writing. Mr A therefore made payments totalling over £10,000 from his HSBC account to an agent of the investment firm. I'll refer to this firm as 'O'.

Once 20% had been paid, Mr A asked for his property to be sold. He's explained he was initially led to believe O would look for a buyer. However, he has since been provided with contradicting information, such as needing to make 50% of repayments, as well as selling not being an option at all. As a result, Mr A made no further payments to O and has explained he now has nothing to show for his investment.

Believing he'd fallen victim to a scam, Mr A contacted HSBC to raise a claim. HSBC didn't uphold the claim, as it said this was a civil matter between Mr A and the company he sent funds to.

Mr A disagreed and referred his complaint to our service. An investigator considered the complaint but didn't uphold it. He also didn't think the available evidence supported that Mr A had been the victim of a scam, rather than a civil dispute. The investigator noted that Mr A paid a genuine firm that is still operating and it appeared the dispute related to the terms of the contract, rather than this not being a legitimate investment opportunity.

Mr A disagreed with the investigator's view. To summarise, he said he would never have entered the agreement had he not been provided with incorrect terms to the contract, which he considers demonstrates that the purpose for O obtaining Mr A's funds was fundamentally different to what he thought about the payment he was making. He considers O trapped him into making further payments, or otherwise terminating the agreement and getting nothing for the funds already paid.

As Mr A disagreed with the investigator's view, the complaint has been referred 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.

I'm very sorry to hear of the position Mr A has been left in. He's paid out a considerable amount of money and now sadly has nothing in return for those funds.

Based on the evidence Mr A has provided, it seems hard to argue other than that O has provided contradictory information to Mr A at different times about what his investment options are. But I'm not deciding a dispute between Mr A and O – I don't have the power to look into a complaint about O. My role is limited to deciding the dispute between Mr A and HSBC.

Of course, HSBC didn't contract with Mr A for this investment, and I can't hold it responsible for any breach of contract or other failings on O's part. As a starting point in law, Mr A is responsible for payments he's instructed HSBC to make. Unfortunately, there's little protection available to him for bank transfer payments, like these were.

The Lending Standards Board Contingent Reimbursement Model Code (the CRM Code) does provide some protection to victims of APP scams. But it specifically excludes private civil disputes.

There are a number of potential reasons (other than an APP scam) for a breakdown in a relationship between two parties and for such a dispute to exist. And unfortunately, businesses (such as O) can fail or be mismanaged such that contracts are breached and agreed goods and services aren't provided. But that doesn't necessarily amount to evidence of an intent to commit an APP scam.

Instead for a payment to be covered by the CRM Code, it must meet the definition of an APP Scam under the CRM Code. In this context, that would require that the very purpose for which O procured the payment was different to what Mr A believed due to dishonest deception. Mr A has demonstrated that O most likely misrepresented the terms of his contract to him, but this is not the same thing as the purpose for payment differing. For example, I've seen no evidence that O never intended on providing Mr A with a property investment in return for his funds, or that this investment was falsified in its entirety. From researching O, I've seen it has an online presence, I've not been able to find reports of the firm being a scam, despite it having been incorporated a few years ago now and I've seen other articles regarding the property Mr A believed he was purchasing within that suggests O is linked to it.

Our service has also reached out to the beneficiary account that received Mr A's funds. While the account provider has provided our service with information – it has done so in confidence. It has provided that which is necessary for the determination of this complaint to allow us to discharge our investigatory functions. Due to data protection laws, our service can't share any information about the beneficiaries, the receiving bank accounts or any investigation and action subsequently taken. However I would like to assure Mr A that I have thoroughly reviewed and considered all the information provided before reaching my decision.

Having done so I don't think the account use supports an allegation that O was set up as a means to defraud. I say this based on payments from the account that would align with O's line of work, as well as a lack of other claims made against the account, as would be expected for a fraudster.

I've also considered Mr A's concerns that O isn't on the FCA register, which he believes supports that it is a scam firm. However, having considered Mr A's contract, I can see that the firm Mr A was investing with was based abroad - as was the investment - and that the firm he paid was only an agent collecting funds on this firm's behalf. I therefore don't consider there was a requirement for it to be regulated to complete this activity.

All things considered, I simply can't safely conclude that O took Mr A's money without ever having any intention of providing the investment he paid for. The evidence available to me simply isn't enough to support such a finding. And breaches in agreements such as this between Mr A and O are not covered under the CRM Code's definition of a scam.

That means that I can't fairly hold HSBC responsible for the loss suffered here. It also means I find the bank had no ability or obligation to try and recover Mr A's money.

In saying all of this, I don't underestimate the impact this whole matter has had on Mr A – I am sorry he has lost out through ill advice. It does seem his trust in O's agents was potentially misplaced. But that fault lies with O, not with the bank. And it's simply the case that I can't fairly tell HSBC to pay him the money he's lost, because I don't think HSBC has treated Mr A unfairly or was otherwise at fault here.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 17 November 2025.

Kirsty Upton
Ombudsman