

The complaint

Mr T complains that HSBC UK Bank Plc ('HSBC') declined to reimburse him £4,000 which he says that he lost as a result of a scam.

What happened

The circumstances of this complaint are well known to both parties, so I will not go in to every detail of what happened here. But, in summary, Mr T says that he wanted to buy computer parts, and came across an advert for what he wanted on an online marketplace. He originally tried to pay for the parts before seeing them but decided not to after HSBC got in touch with him about the payment to warn him about the risks of sending funds to sellers without first seeing the item in person. Mr T said he agreed to meet the seller in person to check the computer parts were in good working order, which they were. He sent a payment to the seller of £4,000 from his HSBC account. HSBC did contact him again about this payment, but he explained that he was with the seller and had checked what he was buying, so it released the payment on his instruction. Mr T said that the seller said the funds did not come through, so they eventually left with their graphics card. Mr T said he realised that the payment had in fact gone through, and so he contacted the seller. Unfortunately, the seller blocked him, leaving him without his £4,000 or the graphic card.

Mr T contacted HSBC to say he had been the victim of a scam and to ask for a refund of the amount he had paid for the computer parts. HSBC didn't agree to offer Mr T a refund. It said it did not think he had been the victim of a scam. It thought that his circumstances amounted to a private civil dispute with the seller of the computer parts which was not covered by the scam reimbursement rules.

Mr T was unhappy with HSBC's response, so he escalated his concerns to our service where one of our investigators looked into what had happened. Our investigator did not recommend that Mr T's complaint should be upheld. They were not satisfied that he had been able to evidence satisfactorily that he had fallen victim to a scam. They queried why a similarly sized payment was received from a cryptocurrency exchange shortly after the £4,000 left his account. They also did not find his version of events were corroborated with evidence, or that they were entirely plausible.

Mr T said that the payment didn't go to the person whom he met – they used a third-party bank account to receive the money by deception. He provided evidence that the payment came from his own cryptocurrency account, but no details of other payments to show the source of the funds. This did not alter our investigator's opinion on the matter, so the case 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.

Having reviewed the very limited evidence provided to me, I agree with the outcome reached by our investigator, for largely the same reasons, and so I won't be upholding this complaint.

I'll explain why in more detail below.

The APP Scam Reimbursement Rules

The Payment Systems Regulator introduced the APP Scam Reimbursement ("ASR") rules on 7 October 2024 to reimburse consumers who are the victims of APP scams in certain circumstances. However, the rules only apply where the customer has been the victim of an APP scam, which the rules define as:

"Where a person uses a fraudulent or dishonest act or course of conduct to manipulate, deceive or persuade a Consumer into transferring funds from the Consumer's Relevant account to a Relevant account not controlled by the Consumer, where:

- *The recipient is not who the Consumer intended to pay, or*
- *The payment is not for the purpose the Consumer intended"*

Private civil disputes are not covered by the rules. The term private civil dispute is defined in the rules as:

"A dispute between a Consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty."

The Payment Systems Regulator in its published policy statement PS23/3 gives further guidance:

"2.6 Civil disputes do not meet our definition of an APP fraud as the customer has not been deceived [...] The law protects consumer rights when purchasing goods and services, including through the Consumer Rights Act."

It provides an example of when this might apply:

"...such as where a customer has paid a legitimate supplier for goods or services but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier."

As part of their investigation, our investigator asked Mr T to provide this service with evidence that he had been the victim of an APP scam. This included:

- Evidence of the communications or messages he had with the seller, to demonstrate what was discussed before and after they met to show that he had not been given the item he had agreed to pay for.
- Evidence from Mr T's cryptocurrency account to evidence where the funds sent to his account came from, in order to evidence that he had suffered a loss.

Mr T did provide some social media communications, but said the rest of the conversation moved to a messaging app and that he was not able to provide these. Having reviewed the communications he has shared, whilst it does say he agreed to meet someone to buy £4,000 computer parts from him, there is no date or timing on the messages. This makes it difficult to link these messages to the payment that was made with any degree of certainty. It is also of note that I would expect this social media platforms' messaging system to display the date and time, so it is unusual that it is not shown in the messages Mr T provided. There is no name on the chat, to see if it matched with the bank account he paid or not. The messages are then said to have continued on a messaging app, but there is nothing within

the messages to show how they found each other on the messaging app. I appreciate that Mr T says the seller blocked him after they met, but I have seen no evidence of his attempts to communicate with them after the meeting, or evidence to show he has been blocked.

The version of events that Mr T gave our service whilst not impossible, does not seem like the most plausible thing to have happened here. I say this because Mr T claims that he met the seller in person, sent the funds, and left without the card when the seller said the funds were not released. HSBC have provided the phone calls that Mr T had with our service at the time the payment was attempted, then when the payment was sent. It seems unlikely that Mr T would have thought that the payment had not been released after a conversation that was about releasing the funds. So, it seems unlikely that Mr T would have taken the seller's assertion at face value – that he had not received the funds, and then left without the card. With the limited evidence Mr T has provided our service, I cannot rule out here that if he was going to buy computer parts, he left with those computer parts.

Our investigator obtained evidence from the receiving bank who confirmed it deemed this to be a civil dispute – and whilst I cannot go into much detail due to data protection rules, the account holder showed that they had sold cryptocurrency on a peer-to-peer platform and that they had released it. Whilst it is not conclusive, it is of note that Mr T received just over £4,000 from his own cryptocurrency account the same day he made the payment and has declined to show our service any account activity other than the payment leaving his cryptocurrency account. So, I am unable to rule out that Mr T sent the funds for the purchase of cryptocurrency himself and received exactly what he paid for. Given the holes in the evidence, and the unanswered questions I have, I am unable to say fairly that Mr T has demonstrated to the high bar necessary, that he fell victim to a scam here.

However, for completeness, I have gone on to think about whether it was reasonable for HSBC to deem Mr T's circumstances as a private civil dispute between him and the seller of the computer parts rather than a scam. And I am satisfied that it was. I say this because in line with the above, I am not satisfied that Mr T has been deceived, persuaded or manipulated into making a payment that was not for the purpose he intended.

For Mr T to have been the victim of an APP scam, he must have been deceived about the very purpose for which his payments had been procured. Here, the purpose of the payment is in question – but Mr T says that it was to purchase the specific computer parts he had seen advertised on a social media marketplace and that he had inspected in person. He says he did not receive them – but I have nothing to corroborate this.

A dishonest misrepresentation about whether the funds had been received, and the handing over of the computer parts may have taken place, but it is not possible to say that this is more likely than not now. As the investigator pointed out, Mr T has not been able to provide any evidence to show what was agreed with the seller or any evidence of discussions that show the computer parts were not handed over on the day Mr T met the seller. And as the seller did apparently have the parts, non-delivery of them would not amount to a scam in line with the PSR published policy.

Further, a dishonest representation about the payee account may have taken place – Mr T asserts that he now knows the recipient was not the same person he met up with. I have no evidence to support this as there is no name on the chat that he says he had with the seller. Regardless, Mr T intended to pay the account details that he was provided, and HSBC processed a payment to those details. It is not enough that the account did not belong to the person he met, to rely on the 'recipient is not who the sender intended to pay' – as the deception here that Mr T alleges relates to whether or not goods were provided in exchange for the funds.

Overall, whilst I understand that Mr T is unhappy that HSBC have not reimbursed him as he says he did not receive the goods he paid for, that is primarily a civil and contractual dispute between two parties – for the receipt of goods. Which is specifically excluded from the ASR.

As HSBC did not need to consider this an APP scam, then it didn't need to go on to contact the recipient account provider – though it did anyway. It did intervene with the payment – and gave numerous scam warnings, so I do not think it needed to do anything further. So I am not persuaded that HSBC could have prevented Mr T's loss here – or that it should have. I've seen no other reason to ask HSBC to refund any of the £4,000 Mr T sent. I am satisfied that HSBC acted correctly when it considered Mr T's claim and I will not be recommending it to do anything further now.

My final decision

I do not uphold this complaint and therefore require HSBC UK Bank Plc to do nothing further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 11 December 2025.

Katherine Jones
Ombudsman