

The complaint

Mr and Mrs S complain that HSBC UK Bank Plc (HSBC) is refusing to refund them the amount they 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 and Mrs S received several calls from what they thought were trusted financial institutions claiming their funds were at risk.

Mr and Mrs S were called from what appeared to be several different providers that they held accounts with. The callers explained that Mr and Mrs S's accounts were at risk and that they should transfer all their funds to an account with another provider that offered the highest security.

Mr and Mrs S have told us that the various callers appeared genuine and the numbers they called from even appeared to be genuine numbers associated with the different account providers. Concerned about losing their funds they complied with the requests.

Having moved all their funds to another account in Mr S's name, Mr S was then required to authorise multiple payments out of that account. Some of the payments triggered an intervention from the provider of Mr S's account and he was guided through how to answer questions incorrectly as an investigation was being carried out and it was important to keep the investigation confidential.

Having made the payments as requested Mr and Mrs S became sceptical and called their account providers directly and found they had fallen victim to a scam.

Mr and Mrs S have disputed the following payments made from their HSBC account:

Payment	Date	Payee	Payment Method	Amount
1	18 December 2024	Mr S	Open Banking	£3,908.81
2	18 December 2024	Mr S	Open Banking	£2,000.00
3	19 December 2024	Mr S	Open Banking	£2,345.00
4	19 December 2024	Mr S	Open Banking	£3,000.00
5	19 December 2024	Mr S	Open Banking	£4,700.00
6	19 December 2024	Mr S	Open Banking	£4,900.00
7	19 December 2024	Mr S	Open Banking	£4,650.00
8	19 December 2024	Mr S	Open Banking	£5,200.00

Our Investigator considered Mr and Mrs S's complaint and didn't think it should be upheld. Mr and Mrs S disagreed, 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.

It has not been disputed that Mr and Mrs S have fallen victim to a cruel scam. The evidence provided by both Mr and Mrs S and HSBC sets out what happened. What is in dispute is whether HSBC should refund the money Mr and Mrs S lost due to the scam.

Recovering the payments made in relation to the scam

The payments Mr and Mrs S made in relation to the scam didn't go to the scammer directly. Instead, they went to another account in Mr S's name, and it took further steps for those funds to end up in the hands of the scammer.

If any funds remained in the account the payments were sent to, they would remain within Mr and Mrs S's control and therefore would not require recovery. In any event Mr and Mrs S have confirmed the payments they made to Mr S's other account were then sent to the scammer so any attempt to recover the payments would have no chance of success.

Should HSBC have reasonably prevented the payments Mr and Mrs S made?

It has been accepted that Mr and Mrs S authorised the payments that were made from their account with HSBC, albeit on the scammer's instruction. So, the starting point here is that Mr and Mrs S are 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 been aware of the scam and intervened when the payments were being made. And if it had intervened, would it have been able to prevent the scam taking place.

Our Investigator didn't think the payments Mr and Mrs S made from their HSBC account were suspicious enough to have caused HSBC to have concerns but also said that had HSBC intervened it would unlikely have made a difference.

While the type of payments Mr and Mrs S have disputed were not altogether uncommon when compared with the usual operation of the account, I also don't think it would have made a difference had HSBC intervened when the payments were made. I will explain why.

Mr and Mrs S have said that when making payments in relation to the scam from another of their accounts, they were advised to provide incorrect information when they were questioned. I have looked at the interventions provided by Mr and Mrs S's other account provider.

Mr S was provided with multiple warning screens by his other account provider explaining the payments he was attempting didn't look right and the payments could be a potential scam. Mr S also incorrectly confirmed:

- He was sending funds to a relative
- No one was telling him to ignore warnings
- He was making the payment himself
- No one was telling him what to say or pressuring him to act quickly

- He had not been told what options to select
- He had not been told his account wasn't safe

Mr S also confirmed within a chat conversation with the other account provider that he was sending funds to a family member. He shared screen shots of the account the funds were going to.

A call then took place with the provider of Mr S's other account. I have listened to a recording of this call. Mr S's other account provider explained that the purpose of the call was because it felt Mr S may be being tricked by fraudsters trying to steal his money. Mr S was warned about the importance of providing truthful answers and he confirmed:

- A family member had contacted him to make a payment
- It was a genuine relative he had spoken to recently
- The family member needed his support
- He had not received any contact stating his funds were not safe
- When his family member asked him for funds it was not unusual, and similar requests had been made before.
- He had not been contacted by anyone claiming to be from the account provider

It's clear that Mr S was under the spell of the summer and was willing to give false information to have the payments processed.

I don't have enough to say that Mr and Mrs S would have provided any more honest answers had HSBC intervened at any stage when the payments were made. Providing incorrect information would have made it extremely difficult for HSBC to uncover the scam that was taking place.

So, with the above in mind, I don't think HSBC missed an opportunity to uncover the scam and it is not responsible for Mr and Mrs S's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 18 December 2025.

Terry Woodham
Ombudsman