

## **The complaint**

Miss K complains that HSBC UK Bank PLC have failed to refund money she says she lost to a scam.

## **What happened**

The details of this complaint are well known to both parties, so I've only provided a brief overview below.

In September 2023 Miss K entered an agreement with a merchant to help her publish, market and collect royalties for a book she had written. Miss K says she was pressured into making payments by the merchant and was only given an agreement after those payments were made. Miss K then decided to cancel the agreement, but she wasn't provided with a refund because the merchant said she had cancelled the agreement outside of its 90-day refund policy.

In total, Miss K sent around £18,797 to the merchant and received payments of around £3,824. So, Miss K raised a claim to HSBC who said it didn't think it was a scam and the claim had been made too late to raise a chargeback. However, HSBC did provide £300 in compensation to Miss K for the service it provided when reviewing her chargeback request.

Miss K remained unhappy, so she brought her complaint to the Financial Ombudsman.

Our Investigator didn't think the complaint should be upheld. He said that there wasn't sufficient evidence that Miss K had been scammed and HSBC hadn't treated Miss K unfairly by not pursuing a chargeback here. Our Investigator added that the £300 HSBC had offered for poor service was reasonable.

Miss K disagreed and asked for an Ombudsman's review. She said she was vulnerable at the time, and the merchant took advantage of that to pressure her into making payments. She didn't agree that her cancellation with the merchant had been raised outside of the 90-day time limit.

## **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 agree with the conclusions reached by our Investigator, and for largely the same reasons.

To be clear if there's a submission I've not addressed; it isn't because I've ignored the point. It's simply because my findings focus on what I consider to be the central issues in this complaint – that being whether HSBC was responsible for Miss K's loss.

It isn't in dispute that Miss K authorised various payments to the merchant. Miss K says she was told the merchant would publish her book with legitimate and well-known online sellers and collect royalties for her.

In line with the Payment Services Regulations 2017, consumers are liable for payments they authorise. HSBC is expected to process authorised payment instructions without undue delay. But HSBC also has obligations to help protect customers from financial harm from fraud and scams. Those obligations are however predicated on there having been a fraud or scam.

I'm sorry to hear of what's happened to Miss K, and I can understand entirely why she feels so strongly that this money should be returned to her. But not all cases where individuals have lost money are in fact fraudulent and/or a scam; and from the evidence I've seen, I think that applies in Miss K's case. I'll explain why.

I've considered the evidence provided by Miss K and copies of the correspondence she had with the merchant. From reviewing those, I'm not satisfied that this is a case where the merchant deliberately set out to scam Miss K. A written arrangement was provided and signed and it appears that royalties were paid into Miss K's account as per the agreement.

Taking all this into account and based on the evidence that is currently available, I'm not persuaded that this situation displays the hallmarks most typically associated with a scam.

The circumstances put forward by Miss K more likely lend themselves to a disagreement in relation to the 90-day time limit and how the merchant's services were sold to her. I note the agreement was to provide publishing, marketing and royalty collection services. But it appears Miss K's book was listed online, and the royalties were collected and paid. I appreciate Miss K says she was pressured into making the payments up front, but I've not seen sufficient evidence here that the merchant's aim was to take money from Miss K in order to scam her. It follows that, I can't safely say that this would likely meet the high legal threshold and burden of proof for fraud.

This is not to say that there is no issue at all between Miss K and the merchant. Clearly there is. But on balance, I haven't been provided with sufficient evidence that shows Miss K was the victim of a scam.

I don't say any of this to downplay or diminish what Miss K has been through. She has my sympathy; in that she believes the merchant hasn't met its side of their agreement. But overall, I don't think HSBC has treated Miss K unfairly by not refunding her the payments.

For completeness I've thought about what happened when the payments were made and whether HSBC missed an opportunity to prevent Miss K's loss.

I should first explain though that HSBC didn't have any specific obligation to step in when it received the payment instructions to protect its customers from money sent for building works. It's not up to HSBC to decide whether the merchant was suitable and reliable. HSBC's role here was to make the payments that Miss K had told it to make. Miss K had already decided on that merchant and completed her own research. And I find that HSBC couldn't have considered the suitability or unsuitability of the merchant without itself assessing Miss K's circumstances and needs when looking to publish a book.

Taking such steps to assess suitability without an explicit request from Miss K (which there wasn't here) would've gone far beyond the scope of what I could reasonably expect of HSBC in any proportionate response to correctly authorised payment instructions from its customers.

I've also considered that the payments Miss K made here were over a long period of time and didn't appear unusual or suspicious compared to her normal account activity with the

payments made here ranging from £7.99 to £2,415.99 which were in line with the previous payments on her account within the previous twelve months. As a result, I'm not satisfied there was enough happening here that HSBC could've reasonably stopped the payments and asked further questions of Miss K.

In summary, there isn't any reasonable basis on which I can say any further intervention by HSBC before processing the payments was likely to have caused concern – as essentially – there was no persuasive evidence to uncover that Miss K was in the process of being scammed.

So, taking all this into account, I don't think *any* intervention by HSBC before processing the payments to the merchant is likely to have prevented Miss K's loss.

### *Recovery*

HSBC said that Miss K hadn't raised her claim within the 120-day time limit for a chargeback which I think was reasonable in the circumstances here. It accepted that it could've provided a better service when communicating with Miss K during the chargeback process and offered what I consider a fair £300.

I appreciate this will likely come as a disappointment to Miss K, and I'm sorry to hear of the situation she's found herself in and her personal and medical circumstances. However, HSBC wasn't aware of these circumstances at the time of the payments so I can't hold it to a higher standard here. In the circumstances of this complaint, I do not consider it would be fair and reasonable to hold HSBC responsible for her loss.

As a result of the above I'm not making any further award against HSBC.

### **My final decision**

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 20 February 2026.

Mark Dobson  
**Ombudsman**