

The complaint

Miss H complains about HSBC UK Bank Plc.

She says that she has fallen victim to a scam and would like HSBC to refund her the money she has lost as a result.

What happened

Miss H says that 'E' reached out to her offering her an opportunity that could potentially land her a modelling contract. Miss H says that she was told that there were no costs involved unless they wished to offer her modelling contract. Miss H was interested in the opportunity as she was low on funds at the time.

Miss H researched E online, and found them on Companies House, and saw positive reviews on Trust Pilot that she now thinks were faked by E.

Miss H attended an interview where she was told that she could receive a contract, and that a deposit was required – professional photos were taken, and Miss H would have an online profile set up. E told Miss H that her deposit would be held in a Government Regulated account, which Miss H says is untrue.

Miss H says that it took an excessive amount of time for her profile to be set up and her pictures to arrive. She says that it was two months before things were up and running, and in that time, she was sent another models pictures. She applied for 34 jobs through the portal, but none of these gained her any work.

Miss H declined to extend her contract once it was expired and asked for her deposit to be returned to her, but E did not do so as it said she had not adhered to the terms of the contract.

Miss H then reported that she had been a victim of a scam and asked HSBC to refund her the money.

HSBC declined to do so – it said that this was a civil dispute between Miss H and E, so Miss H made a complaint to this Service.

Our Investigator looked into things under the Lending Standards Board's Contingent Reimbursement Model Code (CRM Code) but explained that they agreed with HSBC that this was a civil dispute between Miss H and E.

Miss H 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 have decided not to uphold this complaint. I know that this will be disappointing for Miss H – she has paid money and her deposit that she was told would be refunded to her has not been. And I understand she would want to try and recoup her losses. But I need to decide if HSBC can fairly and reasonably be held responsible for this, and having considered everything, I don't think that it can.

It isn't in dispute that Miss H authorised the payment she made. Because of this the starting position – in line with the Payment Services Regulations (PSR's) 2017 – is that she is liable for the transaction. But she also says that he has been the victim of an authorised push payment (APP) scam.

HSBC has signed up to the Lending Standards Board Contingent Reimbursement Model (the CRM code) which requires firms to reimburse customers who have been the victims of Authorised Push Payment (APP) scam.

Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam (except in limited circumstances). But the CRM Code only applies if the definition of an APP scam, as set out in it, is met.

I have set out the definition of an APP scam as set out in the CRM Code below:

... a transfer of funds executed across Faster Payments...where:

- (i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or
- (ii) The Customer transferred funds to another person for what they believed were legitimate purposes, but which were in fact fraudulent.

The CRM Code is also explicit that it doesn't apply to private civil disputes. The wording in the code is as follows:

"This Code does not apply to:

- b) private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier."

I've therefore considered whether this payment Miss H made to S falls under the scope of an APP scam as set out above. Having done so, I don't agree that it does. I'll explain why in more detail.

I am satisfied that the first point does not apply here – Miss H intended to pay E, and the evidence shows that the funds were received. I've then considered if Miss H's intended purpose for the payment was legitimate, whether the intended purposes Miss H and E were broadly aligned and, if not, whether this was the result of dishonest deception on the part of E.

I've therefore considered whether this payment Miss H made under the scope of an APP scam as set out above. Having done so, I don't agree that they do.

I know that this will not be welcome news to Miss H – and I can see why he would feel that he has been scammed. But in order for me to ask HSBC to refund her, I would have to find that E intended to scam her from the outset – and there is not enough evidence to say that this is the case.

E is a registered business on Companies House and still maintains a professional website – there are also positive reviews which don't appear to be fake. While I understand that there are also negative reviews, this isn't enough for me to find that E was running as a scam.

E's role was to provide Miss H with modelling work – and although Miss H was unsuccessful in securing any work, I can see that she did apply for a number of roles. She was also provided with photographs and had a profile on E's website. I know that there were issues in getting these things set up – but businesses can be poorly run and fail to deliver on their promises – but this doesn't mean that they are running as a scam.

Miss H has provided a lot of information to this Service that I have read in full – and I am grateful to her for taking the time to compile this information for me. I do accept that she has had a poor experience with E (as have others) – and it is clearly not a well-run company.

In regard to E declining to refund her due to a review she left about it online, refusal of a refund also doesn't mean that E initially set out to scam her – it is obviously bad practice, but I can't say that something that has happened after the event (that is the initial payment Miss H made) shows that the intention to defraud Miss H was present from the outset.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 7 November 2025.

Claire Pugh
Ombudsman