

## **The complaint**

Ms N is unhappy that HSBC UK Bank Plc hasn't refund payments she made after falling victim to a romance scam.

## **What happened**

In summary. Ms N was contacted by 3 individuals through a dating website between August 2020 and September 2023. She spoke with and befriended them over a period of weeks and months. She made payments to them all, for different reasons. She was promised by one of them that she would be repaid the money back, and on 5 September 2023, when she made the largest payment for £5,000, she said the recipient threatened her if she didn't pay.

Ms N made 2 payments in 2020 for £250 and £300 to the first individual. Then in April and June 2023 she sent payments for £360 and £200 to the second individual. Then she sent a large payment on 5 September 2023 for £5,000 to a third person.

Unfortunately, Ms N was in contact with scammers and she didn't receive any of her money back. Initially she felt too embarrassed to tell anyone what had happened, but, after talking about it to a friend, she reported matters to the police, Action Fraud and then to HSBC.

HSBC said it hadn't done anything wrong. It said it didn't find the payments unusual, so they weren't flagged for additional checks. It said it tried to contact the beneficiary's banks, but it received no reply. Overall, it said it didn't identify any errors.

Unhappy, Ms N brought her concerns to our service to investigate. The investigator said he couldn't recommend HSBC should be required to provide a refund. He said he was not persuaded that the payments carried a heightened risk of fraud at the time. He said the first 4 payments were of a lower value and far below where he'd have expected a bank to intervene.

The investigator said whilst the 5<sup>th</sup> payment was for a higher amount, he didn't think it presented as suspicious. He said one-off payments for this sort of amount are made from time to time and there was nothing else he felt ought to have triggered a response from HSBC. He said even if HSBC had intervened, he didn't think it would have stopped Ms N from making the payment.

Ms N was unhappy with the investigator's view and made the following points:

- She was under the impression she was in communication with a genuine people relating to all the disputed payments.
- Individuals involved built up a fake relationship with her and asked for money for fabricated reasons.
- The last payment she made for £5,000, she was aware after previously being scammed that it was another fraudulent transaction, but she felt she had no choice but to make it.
- She didn't contact the bank straight away as she felt embarrassed but built up the courage and contacted the bank as well as action line and the police.

- She does not believe she is to blame for being grossly negligent and thinks her complaint should be re-assessed.

She referred her complaint to me, an ombudsman, to look afresh at her complaint and make a 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.

Having done so, I've reached the same outcome as our investigator for these reasons:

- The starting position in law is that Ms N is responsible for the payments she authorised, and HSBC had a duty to process those instructions.
- But, as supported by the terms of the account, that doesn't preclude HSBC from making fraud checks before making payment. And, considering regulatory expectations and good industry practice, I'm satisfied that it should fairly and reasonably do this in some circumstances.
- HSBC signed a voluntary code called the Contingent Reimbursement Model (CRM), that it followed at the time this scam took place. The CRM code covered certain authorised push payment scams made to UK accounts, but not international transfers or payments made to overseas institutions. Because Ms N's payments were sent abroad, the code didn't apply.
- But as I have already concluded, HSBC did have wider obligations towards Ms N, and it ought to have been on the lookout for unusual or suspicious activity and been on hand to intervene if it were to find anything like this. So, I have looked into this, to see whether HSBC ought to have done more than it did here.
- Looking at Ms N's account history, I'm not persuaded that the first 4 payments in question appeared so uncharacteristic that HSBC ought to have suspected she was falling victim to a scam. They weren't significant in value; and Ms N had made similar payments previously. Given the value of the payments and how they were broadly in keeping with Ms N's previous spending, I don't think I've seen enough to say the payments looked significantly uncharacteristic or risky, in relation to Ms N's account usage, on this occasion.
- The 4<sup>th</sup> payment on 5 September 2023 that Ms N made for £5,000 is for a significant sum, and more than she was used to paying, but I do agree with what has been said before now. One off payment can be expected from time to time, and there were no other reasons why HSBC ought to have had any suspicions about this payment. Ms N had sent several international transfers to the same country over a long period of time and used the same method without any issues up to that point, as far as HSBC were aware.
- It follows that I don't consider it unreasonable that HSBC processed the payments in line with the instructions without completing further fraud checks or an intervention. After all, it must balance protecting Ms N from fraud with its corresponding duty to make the payments, she tells it to in a timely manner.

I do appreciate how disappointing this will for Ms N. It is clear to me after reading everything

that Ms N has been the victim of a cruel and manipulative scam from 3 individuals. I am sorry this has happened to her, especially with the circumstances that she has described for one of the payments, which I am aware she has reported to the police. I do appreciate how distressing it all must have been. But for the reasons I've explained, I don't think her losses can be attributed to something HSBC did wrong. So, I don't uphold her complaint.

### **My final decision**

For the reasons I've explained, my final decision is that I do not uphold Ms N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 8 December 2025.

Mark Richardson  
**Ombudsman**