

The complaint

Mr V complains that HSBC UK Bank Plc (“HSBC”) won’t refund him money, which he believes he has lost to an Authorised Push Payment (“APP”) scam.

What happened

The background to this complaint is well known to all parties, so I won’t repeat it all in detail here. But in summary, I understand it to be as follows.

In or around February 2025, Mr V was looking to help a family member, his nephew, obtain a work visa and employment in the UK. A work colleague, I’ll call “M”, who Mr V has said he’d known for a number of years and who he was friends with, told Mr V that he could help – and that the certificate of sponsorship (“COS”), visa and employment would cost £20,000.

Mr V has said he’d seen other people get COS’ through M. Reassured by this, he agreed for M to help with his nephew’s application. Alongside payments made from accounts he held with other banking providers, between 18 February 2025 and 22 February 2025, Mr V sent five payments, totalling £7,500, from his HSBC account, to account details that M provided. The payments were funded by Mr V’s nephew’s father, who sent the money to Mr V, to enable him to pay it on.

A COS was assigned to Mr V’s nephew in February 2025, and after a visa application was made, the Home Office invited Mr V’s nephew to attend an interview – but following the interview the visa application was refused. Mr V has said he asked M to provide some supporting documents, but M stopped answering his calls. Alongside this, Mr V says the company where his nephew was supposed to be securing a job, had been closed for more than a year.

Believing that M had scammed him, Mr V raised the matter with HSBC, but it did not consider it was liable to refund him. In summary, this was because it thought what had happened was a civil matter between Mr V and M.

Unhappy with HSBC’s response, Mr V brought his complaint to this service. One of our Investigators looked into things. But they agreed with HSBC that this was most likely a civil dispute, and so Mr V was not entitled to a refund of the payments he had made.

Mr V didn’t agree with our Investigator’s view. In summary, he maintained that he’d been the victim of a scam. As agreement couldn’t be reached the complaint has been passed to me for a final 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.

In his submissions and in his response to our Investigator's view, Mr V has provided some detailed arguments, as to why he thinks what has happened is a scam and why he thinks HSBC is liable to reimburse him his money.

I won't be responding in kind, and I won't necessarily go through every single point on a strict point-by-point basis, nor go through all the potentially relevant rules line-by-line, as a court might. I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

On bringing his complaint to this service, I'm mindful Mr V has referred to other people who he's said had sent money to M, who had received refunds from their banks. But I would point out that, while on the surface complaints may seem quite similar, each complaint is determined by its own individual circumstances. I can't comment on other cases, nor of the actions other banks may have taken, that are unrelated to this complaint. Here, as I'm required to do, I'm only looking at the individual circumstances of Mr V's complaint about HSBC.

Having thought carefully about HSBC's actions, I agree with the findings set out by our Investigator. I do appreciate how disappointing this will be for Mr V but, whilst I'm sorry to hear of what's happened, I don't think I can fairly hold HSBC liable for his loss.

When considering what is fair and reasonable in this case, I've thought about the relevant rules that were in place at the time these disputed payments were made. In response to our Investigator's view, Mr V has mentioned the Contingent Reimbursement Model (CRM Code), however this was no longer in place at the time Mr V made his payments, so it is not a consideration here.

But from 7 October 2024, Payment Services Providers in the UK, like HSBC, have been bound by the Faster Payments Scheme (FPS) and the CHAPS reimbursement rules ("reimbursement rules"). Under these rules, most victims of Authorised Push Payment (APP) scams should be reimbursed – but "private civil disputes" are not covered.

I've therefore considered whether what has happened between Mr V and M meets the reimbursement rules' definition of an APP scam or could more reasonably be classed as a civil dispute. The rules define an APP Scam 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"*

By contrast, a private civil dispute is defined 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"*.

So, in order to consider what has happened here as an APP scam, I would need to be satisfied that it involves criminal deception. The evidence for this would therefore need to be

convincing. Having thought about this carefully, I'm not satisfied that Mr V's payments are covered by the reimbursement rules. I'll explain why.

Mr V paid M, and I've seen nothing to suggest that this was not who he intended to pay. So, Mr V cannot be said to have paid a recipient he did not intend to pay, as per the definition above.

Mr V's purpose for the payment was to help a family member obtain a COS, visa application, and secure employment. While I don't doubt things didn't work out as planned, the evidence doesn't support that it's more likely than not that M didn't intend to provide the services Mr V had paid for.

Here it appears that M did provide, at least in part, a service with seemingly the correct channels being followed (through the Home Office) to apply for a visa and a COS was provided. In communications I've seen between Mr V and M, it also appears that M was providing Mr V with details of various other sponsorship opportunities. Mr V's nephew attended an interview with the Home Office, which was unfortunately unsuccessful. But from looking at the evidence, by way of the Home Office's response after the interview, it doesn't appear that the failure to acquire a visa was due to any wrongdoing on M's part. Rather, it sadly seems to have been down to Mr V's nephew not satisfying the Home Office with the answers they provided, around their intent to work or around their capability to carry out the role they were being sponsored for.

I'm mindful that Mr V has questioned the legitimacy of the COS, explaining that the company where his nephew was supposed to be securing a job had been closed. However, the company is still registered as active on Companies House and I haven't seen sufficient evidence to support that the COS was fictitious.

So, while I accept that Mr V paid M a lot of money – and I note that it isn't exactly clear what M was charging for and there is the possibility that M may have taken advantage of Mr V also in what they charged him – it does appear that M, at least in part, did provide services that aligned with the payment purpose that Mr V intended to pay M for. Mr V might have not got what he expected, but any concerns Mr V has about the job opportunity, or the failure to acquire a visa would be deemed a civil dispute between the two parties and it isn't something I can fairly say HSBC are liable for.

I'm mindful Mr V has also said that M made false promises and was misleading. While this may raise questions about how M was operating, it does not necessarily amount to a scam. As I said, I'd need to be satisfied that any misrepresentation was made with the intent to defraud – rather than to encourage somebody to use services, albeit in a potentially underhand manner, but with the intent to fulfil what is being agreed.

Furthermore, I'm conscious Mr V has said he was aware and had seen evidence of others who had successfully been helped by M previously. Which supports the notion that M intended to help Mr V's nephew. As well as this, while it doesn't of course completely rule out the possibility for fraud, Mr V has said he had known M for a number of years and they were friends, who frequently visited each other's houses. This is not typical of how these types of scams usually play out – where most often fraudsters are not known to their victims.

I understand that Mr V did not ultimately receive what had been paid for, but there could be many other plausible reasons for this, other than fraud. The evidence here lends itself more to the notion that M intended to support with the process of acquiring sponsorship, a visa, and a job for Mr V's nephew, but things have fallen through. With, based on the evidence, the most compelling reason for this being Mr V's family member not satisfying the Home Office during their interview process.

Overall, I've not seen persuasive evidence that M set out to defraud Mr V. So, having thought very carefully about all that Mr V has said, and about the evidence provided by all parties to this complaint, I'm not persuaded that I can safely say with any certainty, based on what I know and what the evidence shows, that M set out with an intent to defraud Mr V, or did not intend to fulfil the purpose they agreed with Mr V for the transactions.

For the purposes of this decision, I think it worth noting that, even if this was a scam, and for the avoidance of doubt and for reasons explained above I'm not saying it was, it doesn't appear that Mr V used any of his own funds to pay M. So, I can't fairly conclude Mr V lost funds as the result of what happened.

I know this will be a huge disappointment to Mr V, and I appreciate how strongly he feels about this case. But for the reasons I've explained above, I do not consider that it was unreasonable for HSBC to decline Mr V's claim under the relevant reimbursement rules.

Finally, in his submissions Mr V has mentioned pursuing a legal remedy. Mr V doesn't have to accept my final decision, and if he doesn't it won't be binding on him. Subject to any time limits or other restrictions a court might impose, Mr V's right to pursue a legal remedy won't have been prejudiced by our consideration of this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 16 March 2026.

Stephen Wise
Ombudsman