

The complaint

Mr G complains that HSBC UK Bank PLC ('HSBC') hasn't refunded the money he lost to a scam.

Mr G referred his complaint to this service with the help of a professional representative. However, for ease of reading, I'll refer only to Mr G throughout my decision.

What happened

The circumstances of the complaint are well-known to both parties. So, I don't intend to set these out in detail here. However, I'll provide a brief summary of what's happened.

In July 2024, Mr G fell victim to a 'job-task' scam, whereby he made several payments in order to release funds he believed he'd earned whilst working online. The relevant payments were card payments to money remittance services, which I'll refer to as 'R' and 'T'. The payments are as follows:

- 23 July 2024 - £63.99 to R;
- 23 July 2024 - £70 to T;
- 24 July 2024 - £334.74 to T; and
- 24 July 2024 - £121.81 to R.

Mr G tried to make further payments to R and T on 24 July 2024, but HSBC thought the payments were suspicious and blocked them. HSBC called Mr G about the payments, but the line was poor and so HSBC asked Mr G to call back, which he did on 26 July 2024. During the call, Mr G confirmed the blocked payments to R and T were genuine and he'd gone on to make the payment to T from his account with another of his banking providers (which I'll refer to as 'N'). Following this call, HSBC removed the restrictions that had been placed on Mr G's account.

Mr G made further payments to T on 26 and 29 July 2024 for £1,170 and £160, but these payments were returned by T. So, in total, Mr G sent £590.54 to the scam from his HSBC account. He also received two payments of £100 from the scammer, meaning his total loss is £390.54.

Mr G reported the scam to HSBC and asked for a refund of the money he lost. HSBC declined to reimburse Mr G and so he made a complaint. HSBC maintained its decision not to reimburse Mr G on the basis that the payments to R and T had been properly authorised and went to accounts in Mr G's own name, which meant it wasn't responsible for the loss.

Unhappy with HSBC's response, Mr G referred his complaint to this service. Our Investigator considered the complaint but didn't uphold it. In summary, our Investigator didn't think HSBC reasonably could've prevented the scam from happening, meaning they didn't find that HSBC was responsible for reimbursing Mr G's loss. They also didn't think HSBC could've done anything to recover the funds.

Mr G didn't accept our Investigator's opinion. As an agreement couldn't be reached, the 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.

Mr G has made some detailed submissions in support of his complaint. I've read and considered everything he has sent in, but I don't intend to respond in similar detail. 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.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations, regulators' rules, guidance and standards, codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

In broad terms, the starting position at law is that a financial firm, such as HSBC, is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Here, it's not in dispute that Mr G made the scam payments from his HSBC account. So, the payments were authorised and under the Payment Services Regulations, the starting position here is that Mr G is responsible for the payments (and the subsequent loss) despite the payments being made as a result of a scam.

However, that isn't the end of the story. Good industry practice required HSBC to be on the lookout for account activity or payments that were unusual or out of character to the extent that they might indicate a fraud risk. On spotting such a payment, I'd expect it to take steps to warn the customer about the risks of proceeding. So, I've thought about whether the scam payments demonstrated a risk of financial harm to HSBC at the time Mr G made them.

The payments to R and T on 23 July 2024 were for £63.99 and £70. There wasn't anything suspicious or out of character about the amounts, as the values were consistent with Mr G's typical payments history. I appreciate he paid two money remittance providers in quick succession, but I'm not persuaded that's enough to say HSBC reasonably ought to have been concerned that Mr G was at risk of financial harm from fraud when those payments were made.

I accept that Mr G went on to make further payments to R and T on 24 July 2024 and the value of those payments were larger than the initial payments the day before. However, I don't consider the increase in value or frequency of the payments demonstrated a risk to HSBC to the extent that I'd reasonably expect it to have blocked the payments and questioned Mr G about the purpose of either payment on 24 July 2024.

I appreciate at the time of the scam that Mr G was taking strong medication for a work-related injury and, as he was unable to work, he was more susceptible to a 'job-task' scam. However, I've seen nothing to suggest that HSBC was aware of this information and as a result, there were no additional measures in place which HSBC failed to adhere to which could've prevented the scam from happening.

I've considered whether HSBC could've done more to recover the card payments by attempting a chargeback. However, in this case, the merchants (R and T) had carried out the services they were paid to provide. As a result, despite Mr G making the payments as the result of a scam, I don't think a chargeback would have had any reasonable prospect of success against either merchant and would, most likely, have been defended. I wouldn't expect HSBC to raise a chargeback that had little prospect of success and so I don't find HSBC acted unreasonably in not attempting one in the circumstances nor do I think it missed an opportunity to recover Mr G's funds.

Mr G thinks HSBC could've done more to question him about the payments he'd made and was attempting to make to R and T when he spoke to HSBC on 26 July 2024. After that conversation took place, Mr G made two more scam payments to T, which arguably could've been prevented. However, T has already returned those funds to Mr G and so there's no loss from those payments for HSBC to reimburse and there were no further successful scam payments made from his HSBC account.

In summary, I'm not persuaded HSBC reasonably could've prevented Mr G's loss. I also don't consider HSBC could've done anything to recover Mr G's funds from R and/or T. As a result, I'm not of the opinion that HSBC can reasonably be held responsible for the loss Mr G's suffered.

My final decision

For the reasons explained above, 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 G to accept or reject my decision before 21 October 2025.

Liam Davies
Ombudsman