

The complaint

Mr W complains that HSBC UK Bank Plc won't refund the money he lost when he was the victim of what he feels was a scam.

What happened

In February 2023, Mr W downloaded what he thought was a dating app onto his phone. The app required a monthly subscription, which Mr W agreed to pay. The app then also required users to buy tokens in order to communicate with other users. And over the next few months, a number of payments totalling around £12,000 were made out of Mr W's HSBC account to purchase these tokens.

Mr W says he wasn't aware how many purchases were made or how much he paid in total to purchase these tokens. He also now feels the other users he was speaking to through the app weren't genuine and were just trying to encourage him to spend more money and buy more tokens. So he reported the payments he had made to HSBC as a scam and asked it to refund the money he had lost.

HSBC investigated but said Mr W had authorised all the payments, and its attempts to dispute the payments were declined. It refunded £6,000 to Mr W, as well as refunding a number of individual payments totalling £671.76. It also paid him £150 as compensation for poor customer service it had provided him. But it didn't agree to refund the remaining payments. Mr W wasn't satisfied with HSBC's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They recommended HSBC pay a further £300 compensation for the poor service it had provided Mr W. But they didn't think there was enough evidence to say the dating app was a scam, or to require HSBC to refund any further payments. HSBC agreed with our investigator, but Mr W disagreed 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 don't think it would be fair to require HSBC to refund any more of the payments Mr W made. I'll explain why below.

Should HSBC have done more to protect Mr W when he made the payments?

Banks are expected to make payments in line with their customers' instructions. And while I appreciate he says he didn't realise how many purchases were made or how much he paid in total, Mr W did authorise the payments here. So while he now feels the app was a scam, the starting position in law is that HSBC was obliged to follow his instructions and make the payments. So Mr W isn't automatically entitled to a refund.

There are certain activities banks are expected to carry out to try to protect their customers from falling victim to scams, and certain protections in place for customers who do fall victim to scams. But, before looking at whether HSBC has done what we'd expect it to do or whether these protections apply, I must first be satisfied that Mr W has been the victim of a scam.

The relevant test for whether someone has been the victim of a scam comes from the FCA handbook. This defines a scam as where a customer transferred funds to another person for what they believed were legitimate purposes but were in fact fraudulent.

So in order to determine whether Mr W has been the victim of a scam, I first need to consider whether he has been the victim of a scam – or, in other words, whether he was deceived about the purpose of the payments to the point where he and the app intended different purposes for the payments and the makers of the app intended to defraud him.

But I'm not satisfied the evidence I've seen shows that the app intended a different purpose for the payments, or that Mr W's and the app's purposes for the payments weren't broadly aligned.

I've thought very carefully about this and I think it's a finely balanced matter in this case. But where the evidence available is unclear or inconclusive, I must make my decision on what I think is likely to have happened, based on the evidence I do have.

From what Mr W has explained, the vast majority of the payments he made here were to purchase tokens he could use to communicate with other users of the app. And Mr W has sent us evidence of communication he had with other users of the app, and hasn't suggested that he wasn't able to communicate with other users following the purchase of these tokens. So I think Mr W's intended purpose for these payments was to allow communication with other users of the app. And, as he was able to do this following the payments, I think this suggests the app intended and fulfilled the same purpose for the payments. So Mr W wasn't deceived about the purpose of the payments.

Mr W has said he joined the dating app in the hope of finding a relationship, and was told by several of the people he was communicating with that they would meet in person soon – but these meetings then never happened. So he feels he didn't get what he intended from the payments he made.

But the payments Mr W made went to the dating app, via the mobile phone store, rather than to the individual users he was communicating with. So it is the dating app itself, rather than any individual user, that must be shown to be operating a scam for me to find that the payments he made were made as a result of a scam. And I haven't seen anything to evidence that any individual users were working for the app, rather than on their own behalf. And so the intentions of any individual user don't affect my findings about the intentions of the dating app.

And, in any event, while Mr W might have been hoping that his communication with the other users would lead to a meeting or a relationship and many dating apps will advertise this as a possibility, I don't think the dating app here was offering a guarantee that any meeting or relationship would result from using the app or that a meeting or relationship would be a direct result of any payment Mr W made. So I don't think it would be fair or reasonable to say that Mr W's intended purpose for the payments was a meeting or relationship. I think his direct purpose for the payments was to buy tokens to allow him to communicate with other users of the app, which he was able to do.

Mr W has also argued that what happened here is similar to a more traditional romance scam, where one party misleads another into thinking they are in a relationship in order to extract money from them. But, as I explained above, Mr W was making payments to the dating app itself, rather than to any individual user. So even if individual users were misleading him, unless it can be shown that they were operating on behalf of the app, this doesn't mean that the payments he made were the result of a scam. And I haven't seen sufficient evidence to show that any of the users Mr W spoke to were operating on behalf of the app.

I also haven't seen evidence of any investigation by an external organisation which concludes that the dating app was operating a scam in relation to the payments Mr W made.

So I don't think the circumstances here meet the definition of a scam from the FCA handbook, or that the protections in place for victims of scams apply here.

I appreciate Mr W has said that, if HSBC had contacted him to ask about the payments and highlighted how much money he had spent on the app, he wouldn't have wanted to spend any more money and would have stopped making the payments. But, as I don't think he has been the victim of a scam in line with the definition of a scam I must apply, it's not HSBC's role to police his spending in this way. And I don't think it would be fair to say HSBC had acted unreasonably in not contacting him about the payments.

I sympathise with the position Mr W has found himself in. But I can only look at HSBC's responsibilities here and, for the reasons I've explained above, I don't think it would be fair to say HSBC should have done more to protect him when he made these payments.

HSBC has refunded £6,000 to Mr W, and refunded a number of individual payments totalling £671.76. And, as I don't think it would be fair to say it should have done more here, I don't think it would be fair to require HSBC to refund any further payments.

Should HSBC have done more to try to recover the money Mr W lost?

We expect banks to take reasonable steps to try to recover any money their customers have lost – including making use of any available chargeback scheme. So I've also considered whether HSBC did enough to try to recover the money Mr W lost.

A chargeback is a process by which card payments can be disputed with the merchant who took the payment. But the rules about the reasons why a payment can be disputed and the time limits for raising any dispute are set out in the chargeback scheme rules – which the bank must follow. And we'd only expect a bank to pursue a chargeback where there was a reasonable chance of it being successful.

HSBC has said it did process chargebacks for at least one of the payments Mr W made here, but that the merchant responded by declining the claim as the service was used in full. And as I've explained I think the direct purpose of the payments Mr W made was to purchase tokens for communicating with other users on the app, which he did receive, I think it's reasonable for the merchant to have concluded that he received the service he paid for. And so I don't think HSBC has acted unreasonably in not pursuing a chargeback for the remaining payments any further here.

Customer Service

Mr W also complained about the service he received from HSBC when raising his scam claim. And from what I've seen, I do think that the service HSBC provided to Mr W fell significantly below the standard we'd expect.

Having listened to a number of the phone calls Mr W had with HSBC during this claim, I think it could have been more empathetic of his circumstances and provided much clearer information about the investigation it was carrying out and what was expected of Mr W.

Due to this poor service, Mr W had to make a number of calls to HSBC, and explain his circumstances to a number of different operators. He was also told to complete a large number of dispute forms, and sent a large number of letters, all with similar content. HSBC also failed to respond to some of Mr W's communication with it and took a significant period of time to investigate his claim.

I think this poor customer service caused Mr W a significant amount of distress and inconvenience. HSBC has paid him £150 as compensation for this poor service, but I don't think this is fair and reasonable compensation for the distress and inconvenience he was caused. So I think HSBC should pay Mr W a further £300, for a total of £450, as I think this would fairly compensate him for the poor customer service he received.

My final decision

For the reasons set out above, I uphold this complaint in part and require HSBC UK Bank Plc to:

- Pay Mr W a further £300 compensation, for a total of £450

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 29 September 2025.

Alan Millward
Ombudsman