

## The complaint

Mrs M complains that HSBC UK Bank Ltd won't refund the money she lost when she was the victim of a scam.

## What happened

In April 2024, Mrs M received a phone call from someone who said they worked for HSBC and had detected a potentially unauthorised payment on her account. Mrs M was passed to what she was told was HSBC's fraud team and asked whether she had made a particular payment. And when she said she hadn't, she was told she needed to make a series of payments out of her HSBC in order to keep her money safe.

Mrs M then followed the instructions she was given and made a series of payments out of her HSBC account, firstly to another individual's account and then to an account she held with another bank – before sending the money on further from there.

I've set out the payments Mrs M made from her HSBC account below:

Date	Details	Amount
12 April 2024	To individual	£2,637.33
12 April 2024	To account with other bank	£3,826.96
12 April 2024	To account with other bank	£3,900
13 April 2024	To account with other bank	£3,200
13 April 2024	To account with other bank	£4,900
13 April 2024	To account with other bank	£3,850

Unfortunately, we now know the call was a scam. The scam was uncovered while Mrs M was trying to make another payment out of her HSBC account. She was speaking to HSBC about the payment while also still on the phone to the scam caller, but the scam caller then hung up and Mrs M told HSBC what had been happening.

HSBC investigated and said the bank the payment to the individual had been sent to had agreed to refund 50% of that payment, and it had agreed to refund the other 50%. HSBC also offered to pay Mrs M £100 as compensation for confusion caused around a phone call she made to it. But it didn't agree to refund the remaining money she had lost. Mrs M wasn't satisfied with HSBC's response, so referred a complaint to our service.

I sent Mrs M and HSBC a provisional decision on 8 August 2025, setting out why I wasn't intending to uphold the complaint. That provisional decision forms part of this final decision and is copied below:

*"The first payment Mrs M made out of her HSBC account as a result of this scam, for £2,637.33 on 12 April 2024, has already been fully refunded to her. The bank it was sent to agreed to refund 50% of it, and HSBC agreed to refund the remaining 50%. So I haven't considered this payment any further and have focused this decision on the remaining payments which have not yet been refunded.*

*Are the payments Mrs M made covered by the CRM code?*

*The Lending Standards Boards Contingent Reimbursement Model (the CRM code) requires firms to reimburse customers who have been the victim of certain types of scams, in all but a limited number of circumstances. But it only covers payments where a customer paid funds to another person for what they thought were legitimate purposes, but which were in fact fraudulent.*

*And the account Mrs M made the payments to at the other bank was set up in her own name. So the payments made to it from her HSBC account were made between two accounts both held in her name, and so weren't made to 'another person' for the purposes of the CRM code.*

*I therefore don't think these payments to the other bank can be treated as covered by the CRM code.*

*Did HSBC do enough to protect Mrs M when she was making these payments?*

*Even though the payments aren't covered by the CRM code, the regulatory landscape, along with good industry practice, sets out other requirements for banks to protect their customers from fraud and financial harm. So, in line with this, I think HSBC should fairly and reasonably:*

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;*
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;*
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;*
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;*
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.*

*And so I've also considered whether HSBC should have identified that Mrs M could be at heightened risk of financial harm from fraud as a result of any of the payments she made here, and whether it did enough to protect her.*

*HSBC did intervene when Mrs M made a number of these payments. It blocked several of the payments and had four phone calls with her during this time where it asked her questions about them and warned her about possible scams. And I've listened to recordings of these calls.*

*In the calls, HSBC says it has scam concerns about the payments and that it is aware some customers are being contacted by fraudsters who claim to be from HSBC and will coach customers not to tell the truth about the purpose of payments they are making. It explains that victims may be told there is fraud on their account and to transfer money elsewhere, but that neither it nor the police will ever tell customers to do this. But despite these circumstances HSBC described being very similar to what she understood was happening, Mrs M continued making the payments.*

*HSBC also asks Mrs M a number of questions, including whether she has received a phone call asking her to tell it another reason for the purpose of the payment she is making, whether she is on the phone with anyone else at the same time and whether anyone has asked her to make the payment in this way. But despite having received a phone call telling her to give incorrect reasons to HSBC for the payments and still being on the phone with the scam caller at the time, Mrs M answered to HSBC that these things weren't the case.*

*And when HSBC asks Mrs M what the purpose of the payments she is making is, she repeatedly gives it incorrect reasons and says that the payments are for building work she is having done.*

*So as HSBC warned Mrs M about the possibility of her being the victim of a scam, gave her a relatively detailed explanation of the scam she was falling victim to, and asked relevant questions about the circumstances of the payments but received plausible answers in response, I think it took reasonable steps to try to protect her.*

*I recognise Mrs M told HSBC several times that she wouldn't need to make any further payments, but then did try to make further payments either the next day or the same day. But Mrs M explained that she hadn't realised she needed to make further payments and gave a slightly different explanation for each payment – including paying kitchen fitters and contractors who built a summer house. So I don't think it's unreasonable that HSBC accepted these explanations.*

*And so I think the action HSBC took was a proportionate response to the risk I think it should have identified from the payments Mrs M was making and the information it was given. I don't think it would be fair to say that HSBC should have done more or that any action I would reasonably have expected to take would have prevented the loss Mrs M suffered.*

*I appreciate that Mrs M has been the victim of a cruel scam and that my decision will come as a disappointment to her. She has lost a significant amount of money and I sympathise with the position she has found herself in. I also understand that she only answered HSBC's questions in the way she did because the scam caller was coaching her to do so. But I can only look at HSBC's responsibilities and, for the reasons I've set out above, I don't think HSBC acted unreasonably or that anything I would reasonably have expected HSBC to have done would have prevented the loss she suffered.*

*And so I don't think it would be fair to require HSBC to refund any further of the money she lost as a result of this scam.*

*Did HSBC provide Mrs M with a reasonable level of customer service?*

*HSBC has accepted that poor customer service on its part caused Mrs M confusion about a call she made to it to report a previous unrecognised payment on her account. I've listened to a recording of this call, and reviewed the subsequent correspondence between HSBC and Mrs M about it. And, from what I've seen, I think the £100 HSBC has offered is fair and reasonable compensation for the distress and inconvenience this poor customer service caused to her. So I don't think it would be fair to require it to pay any further compensation."*

I said I'd consider anything further Mrs M and HSBC submitted following the provisional 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.

HSBC didn't respond to the provisional decision.

Mrs M responded to the provisional decision, highlighting that she had spoken to HSBC about a transaction on her account she didn't recognise around two weeks before the call she then received from the scammer. And, as the scammer knew about this earlier call, this helped convince her that they were legitimate.

But, while I appreciate there was significant social engineering here and I completely understand why the scam caller knowing details of her previous interactions with HSBC made her believe they were legitimate, Mrs M still gave HSBC incorrect or misleading information about what was happening when it called her about the payments and continued to make the payments despite it warning her about circumstances that were very similar to what was actually happening to her.

So, however reasonable it was for her to have answered HSBC's questions in the way she did, I still don't think HSBC acted unreasonably or that anything I would have expected it to have done here would have prevented her making the payments or losing the money she did.

Mrs M also said that the scam caller knowing about her previous call with HSBC, and HSBC subsequently not being able to find a record of the call, suggests that there was some breach of HSBC's security which should lead to it taking responsibility for her loss. But HSBC did subsequently find its records of this call and sent our service a recording of it, which I have listened to. So I think it saying it was unable to find a record of the call was a mistake by the individual Mrs M was speaking to at that time, rather than an indication of a security breach on HSBC's part. And I considered the distress and inconvenience this mistake caused when assessing the compensation HSBC had offered Mrs M.

I think the scam caller likely knew about Mrs M's previous call to HSBC because the transactions she didn't recognise on her account and the text message she replied to about one of them were all part of the extended scam, and carried out by the scammers – as this is a tactic commonly used by scammers to make their actions seem more legitimate and many customers will call their bank after receiving these kinds of text messages.

I understand Mrs M thinks the scam caller may have known the balance of her account, but I've not seen anything else to support this or to suggest that there was some wider breach of HSBC's security or communications. So I still think it's likely the scammers were just able to

piece together what Mrs M had likely done from what they knew about common customer behaviour.

And, as I said above, while I appreciate that this made Mrs M believe that the call she received from the scammer was legitimate, I still don't think anything I would have expected HSBC to have done here would have prevented her making the payments or losing the money she did.

And so I still think the conclusions I set out in the provisional decision are correct. I appreciate that this decision will come as a disappointment to Mrs M, but I still don't think it would be fair to require HSBC to refund the money she has lost here.

### **My final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 10 October 2025.

Alan Millward  
**Ombudsman**