

The complaint

Mr A is unhappy that HSBC UK Bank Plc failed to sufficiently protect him from falling victim to what he argues was an authorised push payment (APP) scam. As well as failing to then compensate him after informing it of the scam.

What happened

The details of Mr A's complaint are well known to both parties and so I will not repeat them all again here. In summary, Mr A has explained he fell victim to a property purchasing scam in 2019/2020. He was looking to expand his business into France and considered purchasing a property, rather than renting, to be a better investment. The alleged scammer (henceforth 'the scammer') contacted Mr A via a networking website and was going to help him find a property. Mr A and the scammer met multiple times and Mr A was persuaded to pay him funds to find/purchase the property. The funds Mr A is claiming to have lost from HSBC were given to the scammers mostly in cash, along with an international transfer.

However, due to a variety of personal reasons, which due to their sensitive nature I will not repeat here, Mr A decided he no longer would be able to work in France and requested a refund from the scammer. In response, Mr A was informed that additional fees would need to be paid to avoid losing the funds he had already paid. Mr A felt he had no choice and gave the scammer further monies. When there was still no refund, Mr A realised he had been scammed and when the scammer contacted him again, he informed him he would be reporting this scam to the relevant authorities.

Mr A says he then raised the scam issue with HSBC shortly after but received no response. Additionally, he states he spent hours in the branch awaiting an appointment he booked but was then told the staff had no record of it and, although he was informed HSBC would be in contact, he heard nothing. Similarly, when he subsequently went through the circumstances of the scam with the bank staff, nothing occurred and he did not receive the expected email from it – nor was this information forwarded to the correct team. Additionally, he was asked multiple times if he definitely did want to proceed with the complaint – which he thinks was them hoping he would not want to do so.

Mr A's scam claim and complaint were eventually logged by HSBC. Having reviewed his circumstances, it did not compensate him for any of the losses he suffered as part of the scam. However, it did accept service failings occurred at the branch and credited £150 into his account and sent feedback to the branch area manager.

Unhappy with this outcome Mr A referred the complaint to us. Our Investigator considered Mr A's complaint but did not uphold it. He found that there was not sufficient evidence of the monies being claimed being lost to the scam, or of the scam itself. He did agree service failings occurred, but considered the £150 amount credited into Mr A's account to be reasonable. Mr A disagreed and requested a decision.

As the case could not be resolved informally it has now been passed to me to issue 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.

I will note that just because I have not included the full facts that does not mean I've ignored any points. 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.

I am sorry to hear about Mr A's situation, he has lost a large sum of money and he has my sympathy for this. I appreciate this all occurred during an already difficult time. However, just because he says he has lost funds due to a scam, it does not mean he is automatically entitled to recompense by HSBC.

I have kept in mind that Mr A made the payment himself and the starting position is that HSBC should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made. In line with this, HSBC ought to have been on the look-out for the possibility of fraud and made additional checks in some circumstances. Mr A says he's been the victim of a scam and that HSBC ought to have done more to protect him whilst he completed these withdrawals.

I've considered the evidence available, but I can't fairly conclude that Mr A has lost all these disputed funds as a result of a scam – there isn't enough tangible evidence for me to do so. I appreciate that Mr A has, amongst other things, supplied us with detailed testimony, what he says are pictures of the scammers, an email chain with the scammer and details of the beneficiary bank. I've similarly kept in mind he informed the relevant authorities that he had been the victim of a scam. However, there is not sufficient tangible evidence to link all the withdrawals/transfer he completed with the scam he alleges. Withdrawing funds or completing international transfers on an account doesn't automatically prove a loss of funds.

I accept, whilst keeping in mind Mr A's testimony, that this may well have been a very sophisticated scam. This would explain the lack of tangible evidence – which Mr A highlights was the scammer's intention. Ultimately, Mr A met with the scammers multiple times and says he was giving them all these funds – without it seems any solicitor of his own overseeing the purchase, no paperwork or anything particularly official to highlight what he believed to be a legitimate purchase of a property. I would usually expect to see a reasonable trail of tangible evidence in a scam to show the claimed loss going to the scammer – especially one such as this which involved multiple meetings and payments over many months. Considering the evidence supplied by Mr A, I've not seen sufficient evidence that can be used to link the withdrawn cash being made towards the scam. This does not mean I've ignored that Mr A has raised his concerns with the relevant authorities – but I have to decide based on what is available to me. Although, whether a scam or not, would not change the outcome of this complaint.

I do accept the emails with the scammer reference the deposit of €3,000 to a Spanish account – which Mr A sent via his HSBC account. It does seem unusual for a beneficiary, who does not seem to be linked with the property dealings, to receive a deposit to open a new account. However, regardless of this, the international payment is not one that I think ought to have caused HSBC any concern – it was not of such a value which should have flagged as a potential risk and so no intervention would have been required. It is not unusual for an account holder to send a larger one-time international transfer. This in isolation would not be a cause for concern.

Similarly, I cannot say HSBC has done anything incorrectly by allowing the withdrawals based on what I do hold. As Mr A highlights, during one branch visit to withdraw funds the branch manager did question him and his answers therefore must have alleviated their concerns. And, although I appreciate the vulnerable situation Mr A may well have been in, because of his circumstances at the time, I've not seen anything which should have highlighted to HSBC that his decision-making abilities were impaired and that it should not have allowed his withdrawals.

I think it's important to highlight that there are many payments made by customers each day. It's not reasonable to expect HSBC to stop and check every instruction to try to prevent fraud or financial harm. There's a balance to be struck between the extent it intervenes in payments to protect customers and not unnecessarily disrupting legitimate payment instructions.

I am sorry to hear that Mr A has lost such an amount of money – it is a large sum and he has my sympathy. However, considering what is available I haven't seen enough persuasive evidence Mr A made these withdrawals/transfer due to being the victim of a scam. So, I don't find there are any grounds to uphold this complaint.

I'll also add that we consider each case on its own individual merits and even if other decisions we've reached seem similar, there will be key differences. Similarly, the conduct of other another bank does not mean that is the set standard for every bank and even if one did refund lost money, it does not mean that each other must as well.

The Contingent Reimbursement Model Code

Although HSBC has signed up to the Contingent Reimbursement Model Code, the payments Mr A made from his account aren't covered by the Code because they were cash withdrawals and an international payment. I cannot fairly and reasonably say that HSBC should have to refund payments under the Code when it doesn't apply here.

Recovery

I do not think there were any additional actions HSBC could have taken to attempt to recover Mr A's funds. There would be no way to trace where the cash was ultimately paid to. Nor would there be reasonable prospects of success to obtain funds paid internationally – especially if due to a scam as it is highly likely that the scammers would have moved the funds from the account in order to frustrate any attempts at recovering them.

Service failings

Ultimately, having carefully considered all of Mr A's points I consider the £150 to collectively be a fair offer from HSBC. I've also noted that it has ensured feedback has been given to the branch area manager, which will help ensure this situation does not occur again. For completeness, I want to highlight to both parties that not everything falls within our remit, such as complaint handling points because they are not a regulated activity and so I will not be commenting on any standalone complaint handling related points – unless ancillary to something regulated. Additionally, as I explained above, although I may not comment on all of Mr A's points individually everything has been considered.

Having carefully considered all the evidence supplied to me, clearly service failings occurred and I do not doubt they did cause Mr A further stress and inconvenience during an already extremely difficult time. Mr A spent a large amount of time trying to resolve the scam situation with HSBC prior to the complaint being raised with us. It is also apparent within one

of Mr A's calls, that HSBC's fraud investigator had not been supplied with any of the information Mr A supplied to the branch. Additionally, not only had Mr A lost a large amount of money, there were wider circumstances also impacting him which no doubt made this process even more difficult for him. Therefore, I do think it was reasonable of HSBC to compensate him.

As our Investigator has highlighted, there are some aspects that neither party has been able to evidence – such as calls prior to those in 2024 or any correspondence from February 2024 where Mr A says he outlined all the scam information. So, I cannot necessarily say without sufficient evidence that failings occurred here or that additional compensation should be awarded.

However, overall it was reasonable of HSBC to compensate Mr A and ensure the area branch manager was made aware of the service failings. I would not consider awarding anything further.

My final decision

My final decision is I do not uphold this complaint against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 February 2026.

Lawrence Keath
Ombudsman