

The complaint

Mrs S complains that HSBC UK Bank Plc (“HSBC”) hasn’t protected her from losing money to a scam.

What happened

The background to this complaint is well known to both parties, so I won’t repeat everything here. In brief summary, Mrs S has explained that between November 2024 and January 2025 she made a number of payments from her HSBC account for what she thought initially was a legitimate investment. Mrs S subsequently realised she’d been scammed and got in touch with HSBC. Ultimately, HSBC didn’t reimburse Mrs S’s lost funds, and Mrs S referred her complaint about HSBC to us. As our Investigator couldn’t resolve the matter informally, the case has been passed to me for a 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.

Having done so, I’ve decided to not uphold Mrs S’s complaint for materially the same reasons as our Investigator.

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 focused on what I think is the heart of the matter. 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, reflecting the informal nature of our service as a free alternative to the courts.

I don’t doubt Mrs S has been the victim of a cruel scam here. She has my heartfelt sympathy. Ultimately, however, Mrs S has suffered her loss because of fraudsters, and this doesn’t automatically entitle her to a refund from HSBC. The Payment Systems Regulator’s APP scam reimbursement rules introduced on 7 October 2024 and the Contingent Reimbursement Model introduced in 2019 don’t apply to payments made to the consumer’s own account, nor to card payments. So they don’t apply to this case here. Still, there are other various and longstanding expectations of payment service providers like HSBC to be alert to fraud and scams and to act in their customers’ best interests. But it would only be fair for me to tell HSBC to reimburse Mrs S her loss (or part of it) if I thought HSBC reasonably ought to have prevented the payments (or some of them) in the first place, or HSBC unreasonably hindered recovery of the funds after the payments had been made; and if I was satisfied, overall, this was a fair and reasonable outcome.

I’m satisfied Mrs S authorised the relevant payments. HSBC would generally be expected to process payments a customer authorises it to make. And under The Payment Services Regulations and the terms and conditions of the account, Mrs S is presumed liable for the loss in the first instance, in circumstances where she authorised the payments. That said, as a matter of good industry practice HSBC should have taken proactive steps to identify and

help prevent transactions – particularly sufficiently unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there are many payments made by customers each day and it's not realistic or reasonable to expect HSBC to stop and check every payment instruction. There's a balance to be struck between identifying payments that could potentially be fraudulent, and minimising disruption to legitimate payments (allowing customers ready access to their funds).

In this case, however, I'm aware that HSBC did intervene in many of the payments Mrs S made from her HSBC account as a result of the scam. I've listened to the available call recordings regarding such interventions. Our Investigator went into some detail around this and there's no need for me to repeat everything here. Like our Investigator, I'm satisfied from the nature of these interventions from HSBC that Mrs S was warned that she could be falling victim to a scam. She wasn't upfront when asked for the real reasons she was making these payments. I can also see from Mrs S's WhatsApp chats with the scammers that she was very much under the spell of the scam and the scammers. It looks like she was prepared to do whatever it took to get the payments made.

Notwithstanding this, I've thought carefully about what I think likely would have happened if HSBC had intervened even more robustly than it did. For example, if Mrs S had been forced into branch to discuss the payments, and if HSBC had given warnings about cryptocurrency scams and set out red flags that might have resonated with Mrs S's circumstances. I accept it's possible that such warnings might have resonated with Mrs S and that this might have led to her opening up, enabling the scam to be uncovered and further losses to be avoided.

In this case, however, I think it's more likely that any such robust intervention from HSBC wouldn't, unfortunately, have sufficiently dissuaded Mrs S. I say this because there are a number of concerning WhatsApp messages exchanged between Mrs S and the scammers that persuade me Mrs S's contact with the scammers wouldn't have immediately stopped no matter what HSBC did. I also think it's likely Mrs S wouldn't have fully opened up to HSBC about things (assuming she did at all, which she very well might not have). And ultimately, given the nature of her messages with the scammers, I think it's most likely the scammers would, one way or another, have been able to persuade Mrs S to make further payments of such value. It doesn't seem that action from HSBC is likely to have been able to ultimately halt this. Ultimately, I think Mrs S would have continued not to open up to HSBC and would have remained intent on making payments of this size in the face of clear warnings she was likely being scammed. I'm therefore not persuaded I can say HSBC unreasonably failed to prevent the payments, nor therefore that it would be fair for me to hold HSBC responsible for the loss.

I also wouldn't reasonably expect HSBC to have been able to recover Mrs S's lost funds in the particular circumstances of this case, given that they were paid into another account Mrs S held with a different provider and lost to the scammers from there, before Mrs S notified HSBC that she'd been scammed. This means I can't fairly hold HSBC responsible for Mrs S's funds not having been recovered.

I've considered everything Mrs S and her representative have said and I'm really sorry Mrs S was scammed and lost so much money. However, despite my natural sympathy, I can't fairly tell HSBC to reimburse her in circumstances where I'm not persuaded I can reasonably say it was the cause of her loss.

My final decision

For the reasons explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or

reject my decision before 8 January 2026.

Neil Bridge
Ombudsman