

The complaint

Ms A complains that HSBC UK Bank Plc ought to have done more to protect her from fraud and recover her losses.

What happened

As the circumstances of this complaint are well-known to both parties, I have summarised them briefly below.

In or around July 2024, Ms A received an unexpected telephone call from a representative of a business I will refer to as 'U'. They knew personal information about Ms A and claimed to be an official representative of the UK visa and immigration service. They told Ms A that they sought to assist her in applying for settlement in the UK.

Between July and October 2024, Ms A says that she was pressurised by representatives of U to make a number of payments toward that application. Various reasons were provided as to why each payment was required. The payments made were as follows:

| Payment no. and date | Payment type | Amount | Payee |
|----------------------|---------------|----------------------|---------|
| 1. 4 July 2024 | Card payment | £790 | Payee 1 |
| 2. 11 July 2024 | Card payment | £3,200 | Payee 1 |
| 3. 5 August 2024 | Card payment | £7,284 | Payee 1 |
| 4. 28 August 2024 | Card payment | £10,865 | Payee 1 |
| 5. 28 August 2024 | Card payment | £7,795 | Payee 1 |
| 6. 17 September 2024 | Card payment | £7,500 | Payee 1 |
| 7. 17 September 2024 | Card payment | £10,000 | Payee 1 |
| 8. 18 September 2024 | Card payment | £9,524 | Payee 1 |
| 9. 8 October 2024 | Bank transfer | £20,000 | Payee 2 |
| 10. 8 October 2024 | Bank transfer | £12, 569 (prevented) | Payee 2 |
| Total loss | | £76,958 | |

When Ms A attempted to make the final payment to U in October 2024, this was blocked by HSBC and enquiries led to the payment being reversed. Ms A, from carrying out further research, was led to conclude she had been the victim of fraud.

Ms A raised a claim against HSBC asking it to fully reimburse the loss suffered. But after

considering Ms A's claim, HSBC found that she had not likely been the victim of fraud. It found that the businesses to which she had made payment were likely legitimate, and therefore the matter was a dispute between both parties.

Ms A remained unhappy with that response, so she referred the matter to our service for an independent review. After an Investigator considered the evidence available, they attempted to resolve the matter informally with HSBC by pointing to evidence that U was likely operating a fraudulent scheme. After considering the Investigator's submissions, HSBC reimbursed Ms A:

- 50% of payments 3-8; the 50% reduction being due to Ms A's negligence.
- 100% of payment 9, minus £100 excess; as permitted by the 2024 Reimbursement Rules.

It also offered to pay 8% interest on those reimbursements.

Ms A did not accept that as a fair conclusion to her complaint, so the Investigator considered the evidence provided by both parties. In doing so, they concluded that HSBC ought to have reimbursed Ms A her loss in full, including interest. That was primarily due to HSBC's error in not raising a dispute with the merchant when Ms A raised her claim.

HSBC rejected that opinion on the basis that the success of a chargeback dispute is speculative, and it found it more likely it would have failed.

As HSBC disagreed with the Investigator's assessment, the matter has now 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.

Has Ms A likely been the victim of fraud?

Both parties are now in agreement that Ms A has been the unfortunate victim of fraud here. For that reason, it's not necessary for me to make a finding on this point. However, for the avoidance of doubt, I do share that view.

Having carried out a holistic review of U, I have observed the following:

- It is not a registered business in the UK. It claims to represent a parent organisation that has several, similar, international websites claiming to assist with immigration services.
- The business' name closely imitates the name of a legitimate immigration application service that is based in the same building U claims to be based in. Yet there is no evidence U is in fact based in this building.
- Ms A was misled by a cold caller into believing that U acted as an official representative of the government. She was also persuaded to pay for services that were not required to achieve settlement in the UK.
- There are numerous reports online that U is defrauding people and submitting false online reviews to give it a sense of legitimacy.
- Information our service has obtained from the receiving bank of the funds Ms A sent support the assertion it was likely defrauding multiple people.

For all these reasons, I'm satisfied that Ms A has, more likely than not, been the victim of

fraud here.

Should HSBC have done more to protect Ms A or recover her funds?

Payments 1-8

All parties now agree that HSBC ought to have done more to protect Ms A from financial harm in this case. Both HSBC and our Investigator have found that intervention should have occurred from payment three in the table above, and I agree with that conclusion.

The initial two payments were in line with Ms A's typical account usage and not remarkable in value when considering the number of payments HSBC processes on a daily basis. That statement isn't to diminish the significance of the loss Ms A suffered from these payments, but intended to reflect the difficult balance HSBC must strike in processing payments its customers instruct it to process—without delay—against intervening where proportionate to do so.

The third payment however was out of character, and significant in value. I therefore agree that HSBC ought reasonably to have intervened at that point and discussed the payment with Ms A. And I agree that an intervention would have likely uncovered the fraud; it did bear sufficient hallmarks, such as pressurised tactics and cold calling. Therefore, it is reasonable that HSBC hold liability, at least in part, for those transactions.

However, putting these arguments to one side for a moment, our Investigator has suggested that HSBC ought to have raised a dispute, regarding the card payments, through the relevant 'chargeback' scheme in place with the card network provider. And its failure to do so meant that Ms A wasn't given a fair chance to dispute the full amount lost. They have therefore suggested that HSBC be held liable for all of the card payments made.

Having reviewed the evidence carefully in this case, I am in agreement with that assessment.

When Ms A raised her claim with HSBC, she had evidence available to her that supported the assertion that:

- U had made several misrepresentations regarding its service and the work that it had completed for the payments made.
- The services paid for had not been provided.

That evidence included non-descript invoices charging exorbitant fees for non-specified work, visa application submissions that have been confirmed as falsified, and had made false representations regarding their position and Ms A's requirement to obtain a visa.

While chargeback claims are not a legal right, it is considered good industry practice to raise a dispute where there is sufficient evidence to do so, and a claim has a realistic prospect of success. I find Ms A's evidence here to have been more than sufficient to warrant such a dispute.

HSBC has argued that raising a chargeback, and its chances of being successful, under such circumstances would be speculative. Yet the reasons it has given for that argument can also be described as speculative.

It has suggested that it would be surprising if a fraudster was not aware of how to defend a chargeback, and has inferred that they would merely be required to supply relevant documents that would result in the dispute being successfully defended. But there is no way

of knowing, or inferring, if that would have been the case here. And I must also bear in mind that a defence of the dispute isn't necessarily the end of the process. Should Ms A have been able to counter any of the evidence the merchant may have provided, HSBC does have the option to refer the matter for arbitration.

Considering Ms A was able to provide testimony and evidence to strongly support her assertions, I don't agree with HSBC's argument that a chargeback would have been futile. It is more likely here that HSBC's rejection of Ms A's fraud claim caused it to overlook an alternative means to recover Ms A's funds. And now that the opportunity to do so has been lost, are unable to say how such an action would have resulted.

As such, Ms A has been denied a feasible opportunity to recover her funds. I therefore find it fair and reasonable that HSBC reimburses Ms A her loss in full of these transactions.

Payment 9

HSBC has already reimbursed payment nine, minus the excess permitted by the relevant reimbursement rules. However, if it has not yet paid Ms A interest on this amount, it must do so in the way I have set out below.

Putting things right

HSBC should now go ahead and reimburse Ms A the remainder of her loss. HSBC should check its records to ensure that the sums it has already reimbursed are deducted from the total it should now pay, but I have calculated them as follows:

- Full reimbursement of payments 1-2: £3,990.
- Reimburse the remaining loss from payments 3-8: £26,484.

To reflect Ms A's deprivation of those funds, HSBC should also pay 8% simple annual interest on those amounts in the following ways:

- Payments 1-2: from the date HSBC ought to have raised the chargeback disputes (date of claim) to the date of settlement.
- Payments 3-8: from the date of payment to the date of any settlement payment made.
- Payment 9: from the date HSBC ought to have settled the claim under the FPS Reimbursement Rules to the date of settlement.

My final decision

For the reasons I have given above, I uphold this complaint and direct HSBC UK Bank Plc to:

- Reimburse Ms A the remaining loss she has suffered from payments 1-8.
- Pay Ms A 8% simple annual interest on all reimbursements, as I have specified above, if it has not already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 16 December 2025.

Stephen Westlake
Ombudsman