

The complaint

Mr K is unhappy HSBC UK Bank Plc ('HSBC') has decided not to refund the money he lost, to what he believed was an Authorised Push Payment ('APP') scam.

What happened

The details of this case are well-known to both parties, so I don't need to repeat them at length here.

In summary, Mr K was looking for job in the UK that provided a certificate of sponsorship ('CoS'). Mr K was recommended a company which I'll call 'Company I' and an individual from Company I, whom I'll call 'Mr A'. Mr K liaised with Mr A also went to Company I's office.

Mr K (through his representative at the time) says Mr A's role was to provide advisory assistance and secure a sponsorship visa for him and that Mr A claimed he was an immigration advisor offering consultancy services to students and supporting job applications.

Mr K paid £10,500 overall, making two payments of £1,500 and £5,000 from his HSBC account. Mr K also transferred £4,000 from his HSBC account to an account he held at another banking provider and in turn sent the £4,000 from there.

Mr K didn't end up getting a job with a CoS and asked Mr A for his money back. Mr K didn't receive a refund and considered Mr A had scammed him.

Mr K subsequently reported the matter to HSBC to see if there was anything it could do to help and to see if his funds could be recovered or reimbursed.

HSBC considered the matter under a voluntary code called the 'Contingent Reimbursement Model' (the CRM Code) which was in force at the time to which it was a signatory.

The CRM Code provided increased protection for customers who are the victim of scams. But the CRM Code didn't apply to every type of disputed payment. The CRM Code didn't apply to disputes that are deemed to be a 'civil dispute' between two parties.

HSBC deemed the matter a civil dispute between Mr K and Mr A. So, it considered the CRM Code didn't apply to the payments Mr K had made and said it was unable to help him further.

Unhappy, Mr K referred the matter to our service. One of our Investigators reviewed the matter. In short, they didn't uphold the complaint, as they also considered the matter was a civil dispute – and therefore said the CRM Code didn't apply to the payments Mr K had made. So, they didn't consider HSBC was liable to refund Mr K.

Mr K disagreed and has asked for an ombudsman's review as the final stage of our process.

So, as the matter hasn't been resolved, it's 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.

I'm 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 focussed on what I think is the heart of the matter here – which is whether HSBC acted fairly in its answering of the complaint that the matter is a civil dispute, and it is therefore not liable to reimburse him under the provisions of the CRM Code. 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. This simply reflects the informal nature of our service as a free alternative to the courts.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

I'm sorry to hear of what's happened to Mr K. He paid money in good faith for assistance in looking for a job that provided a CoS. And he clearly didn't receive the service he expected – especially when considering the amounts he paid, and its left him out of pocket as a result.

But having thought carefully about HSBC's actions, I don't uphold Mr K's complaint. I do appreciate how disappointing this will be for him, but I don't think HSBC has acted unfairly in its answering of the complaint that the matter is a civil dispute and that it is therefore not liable to reimburse him under the CRM Code. I'll explain why.

The starting position in law is that Mr K will generally be considered liable for authorised payments. It's accepted that he authorised the payments in dispute and so he is liable for them in the first instance. At the time Mr K made the disputed payments, HSBC was signed up to the CRM Code. The CRM Code provided additional protection from APP scams, but only in certain circumstances.

When HSBC received Mr K's claim, it said it didn't think he'd been the victim of an APP scam, meaning it didn't need to reimburse him under the principles of the CRM Code because it didn't apply to his circumstances. For me to say that decision was wrong – and HSBC should've refunded Mr K's payments in full – I'd first need to be satisfied that the CRM Code *is* a relevant consideration in the circumstances.

The CRM Code can only apply where the victim's payment meets the CRM Code definition of an APP scam.

Under DS1(2)(a) of the CRM Code, an APP scam is defined as:

“(i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or

(ii) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.”

And DS2(2)(b) of the CRM Code says it doesn't apply to:

“private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier”

There's been no suggestion made that Mr K was deceived into transferring his funds to a different person. So, DS1(2)(a)(i) doesn't apply in these circumstances.

To uphold Mr K's complaint under DS1(2)(a)(ii) of the CRM Code, I'd need to be reasonably satisfied that it is more likely than not that Company I/Mr A received his payments for a fraudulent purpose. So, I've carefully considered whether the evidence suggests that Mr A was most likely the “legitimate supplier” of a service and whether Mr K's payments meet the CRM Code definition of an APP scam.

The purpose of a payment forms part of the CRM Code definition of an APP scam. As such, the reason Mr K made the payments is a relevant consideration when determining whether the CRM Code applies in these circumstances or not. For me to say the CRM Code applies in this case, I need convincing evidence to demonstrate Mr K was dishonestly deceived about the very purpose of the payments he made.

Having reviewed all the information and evidence provided, I can't fairly say Company I and/or Mr A took the payment for fraudulent purposes, and I don't think it was unreasonable for HSBC to consider this a civil matter rather than a scam. I say this because in the case of a scam, I'd usually expect for goods or services not to be provided – and for there never to have been an intent for them to be provided.

Our Investigator noted that there was the potential Mr A was giving immigration advice in exchange for payment and therefore there was the potential that this was illegal as there are specific rules around who can do so. But Mr K didn't think Mr A was doing anything illegal. And I am mindful that I haven't received anything to suggest Mr A wasn't regulated and authorised by the Immigration Services Commissioner or wasn't registered with the Immigration Advice Authority or with the Solicitors Regulation Authority. I am also mindful Company I has a website available, which sets out that it is an immigration lawyer and the company's location is still seemingly situated at the offices Mr K attended. From looking at Company I's website, the company also seemingly has 13 locations in another country.

In this case, I accept the service provided fell far below what Mr K might reasonably have expected when considering the costs and price he was charged. It doesn't appear Mr A or Company I provided any invoices detailing what exact services were to be provided and what the costs of those exact services would be as a result. And the messages Mr K has provided show that Mr A was minimal with his contact and preferred voice calls. I also accept that Mr K paid into a business account which was in the name of 'S' – which Mr A was also a director of – and not Company I. And for the second payment it was made into the personal account of another individual. So, there was clearly some poor business practices which can certainly be considered as questionable. But poor and questionable business practices don't automatically mean that Mr A or Company I were operating a scam and never had any intent to provide Mr K with a service.

Here it seems that Mr A did provide a service – in that Mr K attended the offices of Company I and there seems to have been some calls with Mr A also. And from the communication it seems there are references to various locations for employment and it also seems Mr K was put in touch with an employer for an NHS Care Home who – at the time – seemingly offered Mr K employment with a CoS. But this wasn't viable for Mr K as it required him to have a car. While I haven't been provided with the offer of employment, I also haven't been provided with any evidence or information to suggest that the offer was a fictitious one.

So, while I accept that Mr K paid Mr A a lot of money – and it isn't exactly clear what Company I or Mr A was charging for and that it may have taken advantage of Mr K also in what it charged him – it does appear that Company I and Mr A provided services that aligned with the payment purpose that Mr K intended to pay Company I/Mr A for. Mr K might have not got what he expected, but any concerns Mr K has about the job opportunities that he was provided with, or the discrepancy over whether he would receive training or whether he was overcharged for any consultancy or advice would be deemed a civil dispute between the two parties and it isn't something I can fairly say HSBC are liable for.

Taking everything into consideration, I'm satisfied the CRM Code doesn't apply, and I can't fairly ask HSBC to refund the money Mr K considers he is owed. I don't think HSBC treated Mr K unfairly when it said the payments weren't covered by the CRM Code as they relate to a civil dispute.

I'm also satisfied that there wasn't anything else HSBC could have done to either prevent the loss when Mr K initially made the payments or recover any funds. I say this because the first payment wasn't remarkable enough or out of character to such an extent whereby I would expect HSBC to have concerns about it and intervene. And in respect of the second payment of £5,000, I'm mindful Mr K believed it was a genuine payment being made for a genuine purpose – so I don't think any potential warning HSBC may have given would have prevented Mr K from proceeding with the payment at the time. And as the payments weren't made by debit or credit card, the various schemes available that offer protection to those methods of payments weren't available to HSBC or Mr K either.

Finally, I appreciate Mr K made a payment from his HSBC account to another account he held at another banking provider. And Mr K sent £4,000 on to Mr A from that account. Those funds have been reimbursed by Mr K's other banking provider. I acknowledge that Mr K will consider that, if he has been reimbursed by his other bank, he should therefore be reimbursed by HSBC. However, I can't comment on the actions of Mr K's other bank or the reason it chose to reimburse him. I can only look at the complaint before me and the actions of HSBC. And here I consider HSBC acted fairly in its answering of the complaint.

I realise that my decision will be disappointing for Mr K. I know he feels strongly about the actions of Mr A. But overall, for the reasons I've explained and based on the evidence available, I can't fairly or reasonably ask HSBC to refund the money Mr K considers he is owed. I consider HSBC were fair in considering the matter a civil dispute which isn't covered by the CRM Code. It is therefore something that needs to be resolved between the two parties through alternative methods.

Should Mr K receive any new material evidence for example confirmation that the offer of employment was fictitious, then he can provide that to HSBC in the first instance for it to reconsider his claim.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 24 October 2025.

Matthew Horner
Ombudsman