

## **The complaint**

Mr and Mrs F are complaining that HSBC UK Bank Plc hasn't refunded payments made from their joint account after they fell victim to an investment scam.

The complaint is brought on their behalf by a professional representative, but I'll mainly refer to Mr and Mrs F here.

## **What happened**

The circumstances of the scam are known to both parties, so I won't set them out in detail here.

In short, Mr F came across an investment opportunity online and called the number advertised. He was introduced to an "account manager" and was persuaded to invest through what he thought was the company's genuine investment platform - but it was actually a scam. Between 30 May 2024 and 24 June 2024 Mr F sent £31,700 from Mr and Mrs F's joint account with HSBC to Mr F's account with an Electronic Money Institution (EMI), from where funds were sent on to and lost to the scam.

Mr F realised that a scam had taken place when he was asked to make further payments to make withdrawals from the investment. The Financial Conduct Authority (FCA) has now published a warning that the company Mr F was dealing with is a clone of a genuine business authorised by it.

Mr and Mrs F complained to HSBC, and when it didn't uphold their complaint they brought it to the Financial Ombudsman Service.

Our Investigator didn't think Mr and Mrs F's complaint should be upheld. They didn't agree, so their complaint has been passed to me for review and 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.

I'm sorry to disappoint Mr and Mrs F, but I'm not upholding their complaint - for much the same reasons as the Investigator.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided. No discourtesy is intended by this. Instead, I've focussed on what I think are the significant points in dispute here. If there's something I've not mentioned, it isn't because I've ignored it, but because 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.

It's not in dispute that Mr and Mrs F authorised the payments. And HSBC had a duty to act on their instructions. But in some circumstances a bank such as HSBC should take a closer

look at the circumstances of a payment – for example, if it ought to be alert to a fraud risk, because the transaction is unusual for the customer, or otherwise looks characteristic of fraud. And if so, it should intervene, for example, by contacting the customer directly before releasing the payment. But I'd expect any intervention to be proportionate to the circumstances of the payment.

But I've also kept in mind that HSBC processes high volumes of transactions each day. There is a balance for it to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

I don't think the payments here would have appeared particularly unusual or out of character to HSBC, given Mr and Mrs F's account history, which in around the 12 months before these payments shows a significant balance and several high-value payments which appear to relate to savings and investments. Although HSBC ought to have been aware of the potential for multi-stage fraud, I think it could also have been taken some reassurance that the payments here were being made to another account in Mr F's name. However, HSBC did identify a scam risk and intervened by calling Mr F in relation to two of the payments he instructed, on 30 May 2024 and 31 May 2024.

Both the calls were focussed on the main scam risk HSBC had identified which was of an impersonation scam. I don't think this was unreasonable given it was aware the funds were going to another account in Mr F's name. During the first call, he explained that he was transferring funds to another account in his own name and he wasn't being guided by anyone. He said he was diversifying his investments. He said he'd had an account with the EMI for a while which he'd opened by himself, had received a previous payment and hadn't been asked to make payments by anyone else.

During the second call Mr F said he was making a transfer to his own account. Again, he said the payment was for diversification of investments, and he'd be making investments from the other account. He said he'd not been asked to make payments by anyone else, and he'd opened it by himself. HSBC allowed these payments, and the subsequent payments to proceed.

Overall, I agree with the Investigator that HSBC's interventions were broadly proportionate here, considering the overall risk presented by the circumstances of the payments and Mr F's response to its questions. Although Mr F did mention he was planning to invest the funds, taking into account Mr and Mrs F's account history, I don't think this would necessarily have rung alarm bells with HSBC. However, on this point I would also add that the EMI involved here did also intervene and speak to Mr F about the purpose of the payments. Mr F didn't give accurate information about the involvement of a third party or the plan for the funds and didn't take account of relevant investment scam warnings given by the EMI. So, even if HSBC had done more to question Mr F about his plans for investing the funds and subsequently to warn him about the risk of an investment scam here, I don't think it would have made a difference to his decision to go ahead with the payments.

Unfortunately, it wouldn't have been possible for HSBC to recover the funds once Mr and Mrs F had reported what had happened, as they had already been sent on to the scam from Mr F's account with the EMI.

Once again, I'm sorry to disappoint Mr and Mrs F. They've been the victim of what I can see is a sophisticated and convincing scam, and I can understand why they'd think they should get their money back. But ultimately, I don't think HSBC ought reasonably to have done anything more than it did to prevent them from making the disputed payments. So, I don't think it would be fair or reasonable to ask it to reimburse the payments.

**My final decision**

My final decision is that I'm not upholding Mr and Mrs F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Mrs F to accept or reject my decision before 17 March 2026.

Helen Sutcliffe  
**Ombudsman**