

The complaint

Mrs H complains that HSBC UK Bank Plc won't refund the money she lost to a job scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mrs H was searching for a remote job for a family member. In January 2024, she received a text from a scammer, who pretended to be a legitimate recruiter. The scammer asked Mrs H if she was interested in an online commission-based job with Company C (an impersonation of a legitimate company).

The job was completing basic reviews, aimed at boosting movie ratings, for high commission. Mrs H was recruited, and she was led to believe that she could become an agent and then introduce the job to her family member.

Mrs H received some training and was added to a realistic group chat with what she thought were other employees. An account was created for her on a Company C platform and, after completing initial sets of tasks and receiving a few credits, higher earning tasks became available. However, for these more attractive tasks there was a requirement for Mrs H to continuously credit her account with funds.

The scammers guided Mrs H on how to make payments and what to say if any of the banks or financial firms intervened.

The small credits made the job seem authentic and Mrs H made payments to a number of individual payees from legitimate / regulated Electronic Money Institute (EMI) Firms W and R.

Mrs H had an account with Firm W which she used between 4 January and 23 January 2024. She was told to open a Firm R account to be able to send larger amounts and made further payments between 23 January and 28 January 2024. To credit these two EMI's she used funds from her accounts with HSBC, Bank B and Bank M.

From her HSBC account, she made eight payments to Firm W (listed in the following table) and then seventeen payments from Firm W to the scammers between 6 January 2024 and 23 January 2024.

Payment Number	Date / Time	Payment method	Payee	Amount
1	04/01/24 21:52	Credit card	Mrs H's account with Firm W	£20.08
2	06/01/24 18:38	Credit card	Mrs H's account with Firm W	£3.01
3	18/01/24 17:43	Credit card	Mrs H's account with Firm W	£49.21
4	22/01/24 21:17	Credit card	Mrs H's account with Firm W	£20.08
5	22/01/24 21:28	Credit card	Mrs H's account with Firm W	£43.18
6	23/01/24 19:47	Credit card	Mrs H's account with Firm W	£30.13

7	23/01/24 20:13	Credit card	Mrs H's account with Firm W	£579.42
8	23/01/24 20:39	Credit card	Mrs H's account with Firm W	£1,404.88
9	23/01/24 21:05	Debit Card	Mrs H's account with Firm W	£3,584.99
Total				£5,734.98

The scammers wouldn't release any of Mrs H's funds unless she paid them a fee, so Mrs H felt under pressure to listen to the scammers and continue to make payments. Mrs H realised this was a scam as despite paying more and more money she wasn't able to withdraw her earnings and funds.

Mrs H's losses were £8,771.56 through Firm R and £4,964.29 through Firm W and she submitted complaints to these two firms and her three banks as she felt that they didn't protect her from financial harm.

HSBC said they didn't make any errors and rejected Mrs H's complaint and refund claim for £5,734.98.

Mrs H brought her complaint to our service, but our investigator didn't think HSBC had done anything wrong.

As Mrs H remains dissatisfied her complaint has been passed to me to look at.

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, my decision is to not uphold this complaint. And I'll explain why.

I should first say that:

- From reviewing the file, I'm satisfied that a job scam took place here and I'm very sorry that Mrs H was the victim of these cruel scammers.
- I'm satisfied that the CRM code doesn't apply here as the payments were to an account in Mrs H's name and by card. Also, chargeback rules don't cover scams.
- I don't think HSBC could've reasonably been expected to recover funds that were moved to Firm W and then emptied after being paid to individual scammers.
- I noted that Firm W gave Mrs H a partial (50%) refund on some of the payments she made from her account with them on 23 January 2024 and further increased the number of transactions to be refunded after involving our service. Also, this partial Firm W refund relates to the payments she made after transferring payments 8 and 9 for £4,989.87 and the 50% deduction took into account contributory negligence from Mrs H.
- The Payment Services Regulations 2017 (PSR) and Consumer Duty 2023 apply here.

PSR

Under the PSR and in accordance with general banking terms and conditions, banks should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. There's no dispute that Mrs H made the payments here, so they are considered authorised.

However, in accordance with the law, regulations and good industry practice, a bank should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

Banks do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions.

So, I consider HSBC should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.
- Have systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

Consumer Duty

Also, from July 2023 HSBC had to comply with the Financial Conduct Authority's (FCA's) Consumer Duty which required financial services firms to act to deliver good outcomes for their customers. Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, HSBC was required to act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud. Also, recognise signs of vulnerability.

With the above in mind, I considered whether:

HSBC should've recognised that Mrs H was at risk of financial harm when she made nine payments totalling £5,734.98 between 4 and 23 January 2024

Even though Mrs H has received a partial refund from Firm W and that refund relates to payments 8 and 9 which she made from HSBC, I looked closely at all nine payments.

It is important to note that all the payments were made to an account Mrs H held with another regulated financial business. So, although HSBC would've known Firm W's primary purpose is to send payments worldwide, they would have some comfort knowing Firm W was an established payee and Mrs H had only recently transferred money to them. Also, Firm W would perform due diligence with information on where the funds were going

Payments 1 to 7

I found that six of these payments were all for low amounts under £50 and although the seventh was higher it was in line with regular spending and still for a relatively low amount. Also, there wasn't a pattern, such as a high velocity of same day payments increasing in value, for HSBC to be concerned about.

In addition, banks like HSBC process thousands of payments each day and I don't think they can reasonably be expected to intervene on low amount transactions without risk factors.

Furthermore, as mentioned above, they have to strike a balance between preventing fraud and unnecessarily inconveniencing or delaying legitimate transactions. So, I wouldn't have expected a fraud and scam intervention on these payments.

Payment 8 and 9

For the same reasons, I also don't think payment 8 for £1,404.88 was high enough to warrant an intervention. Although this was the third payment in an hour and higher than her normal credit card spending, considering the low overall amount and that these were 'me to me' payments that reduced the risk, I wouldn't have expected an intervention. A pattern was though starting to develop by payment 9 as it was the fourth payment to Firm W in the space of a couple of hours.

HSBC's account analysis when releasing payment 9 would've shown much higher expenditure data. This is because unlike the previous eight payments, payment 9 was made on her debit card which Mrs H had used to make multiple payments of a similar or higher value, up to and including payments of £15,000. The payments were going to another account Mrs H controlled and which was regulated. So, the bar for an intervention on 'me to me' payments would be high, and I wouldn't have expected an intervention at this point.

Even if I was of the opinion that payment 9 warranted an intervention, due to the high bar on 'me to me' payments a proportionate intervention would've been automated questions and warnings. And I noted that when Firm R implemented this type of fraud and scam prevention method it was ineffective (and didn't give the right type of education or warnings including job scams) as Mrs H gave them misleading answers due to her being heavily coached by the scammers.

Also, as mentioned above, even if I made a finding on payment 9, Mrs H has already had a refund. I appreciate this was only partial as our investigator took into account contributory negligence from Mrs H.

Having considered the above and all the information on file, although I genuinely sympathise with Mrs H's situation and loss, I wouldn't have expected HSBC to have intervened here, and I don't think they are liable. So, I'm sorry to disappoint Mrs H but I'm not upholding this complaint against HSBC UK Bank Plc.

My final decision

For the reasons mentioned above, my final decision is that I'm not upholding this complaint against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 17 December 2025.

Paul Douglas
Ombudsman