

The complaint

Mr M complains that HSBC UK Bank Plc won't refund all the money he 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.

Mr M was looking for a remote job on the internet, and he became interested in a commission-based role that he saw. After expressing an interest in this job on his messaging app, he was contacted by a representative (a scammer) who worked for (fake) Company C.

Mr M was recruited, trained, introduced to co-workers and an account was created for him on a Company C platform, all of which made him think the job was legitimate.

The job appears to have been completing simple review tasks, aimed at boosting search engine optimisation, to earn high commission rates. After completing a set of tasks, the next set attracted more commission but created a negative balance. To be able to continue with the job and earn higher commission Mr M then found it necessary to pay Company C.

Mr M borrowed money from family and friends and paid the scammers:

- £11,295.97 from his account with Bank B – making 14 payments between 13 and 16 May 2025
- £10,905.98 from his HSBC account – making 6 payments between 13 and 16 May 2025

From these two bank accounts he was told to pay individuals via the following international payment companies:

- Company R – which he already had an account with
- Company TS
- Company TG
- Company W

He made the following payments from his HSBC account:

Payment Number	Date	Time	Payment Type	Payee	Amount
1	13/5/2025	09:00	Debit Card	Mr M's account with Company R	£3,002.99
2	13/5/2025	12:16	Debit Card	Mr M's account with Company R	£4,002.99
3	13/5/2025	21:30	Debit Card	Mr M's account with Company TS	£500
4	13/5/2025	21:33	Debit Card	Mr M's account with Company TS	£500

5	13/5/2025	22:08	Debit Card	Mr M's account with Company TS	£900
6	16/5/2025	20:46	Debit Card	Mr M's account with Company TG	£2,000
Total					£10,905.98

Mr M was led to believe that he had earned approximately USD32,000 in commission. But in order to withdraw this, he was further tricked into paying large fees including government tax and this is when he started to realise that he'd been scammed.

Mr M contacted his banks seeking a full refund and compensation as they didn't intervene, on what he considered to be unusual same day payments, and stop him being scammed. He received the following refunds:

- £1,000 from HSBC:
 - This related to payment 6 for £2,000 only and was 50%.
 - This is because they thought they could've done more to protect Mr M from this payment only. Also, that Mr M could've done more to protect himself.
- £5,244.49 from Bank B:
 - This related to 10 of the 14 payments they processed and was for 50%.
 - This is because they thought they could've done more to protect Mr M. Also, that Mr M could've done more to protect himself

Mr M was dissatisfied with these partial payments and escalated his complaints about both banks to our service. But our investigator thought the resolutions / refunds were fair and reasonable.

Mr M disagreed with the investigator's view on his HSBC complaint and his points included the following:

- *'A timely and meaningful intervention — especially a direct conversation with a fraud specialist — could have broken the scammers' psychological control and made me stop'.*
- *'Bank B's warning was framed around crypto trading, because the scammer coached me to present it that way. I did not see it as relevant to my situation because I believed I was engaged in a legitimate employment role, not an investment or crypto scheme. HSBC cannot reasonably rely on another bank's intervention to absolve its own responsibility'.*
- The scam was sophisticated, and the scammers applied psychological manipulation and pressure leaving him unable to think clearly or assess the risks rationally.
- He was in a highly vulnerable position at the time, emotionally and financially, due to family commitments and pressures. And the scammers exploited this.

As Mr M remains dissatisfied his complaints have been referred 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 the same as that of our investigator, which is to not uphold this complaint. And I'll explain why.

I should first say that:

- I'm persuaded by Mr M's submissions and transactions that a scam has occurred here and I'm very sorry that he's lost a significant amount of money in this cruel job scam.
- Although I've read and considered everything Mr M has said, I won't be responding to every point individually. If I don't comment on any specific point it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome.
- In making my findings, I must consider the evidence that is available to me and use it to decide what I consider is more likely than not to have happened, on balance of probabilities.
- I'm satisfied that the APP Scam Reimbursement Rules, introduced by the Payment Systems Regulator in October 2024, for customers who have fallen victim to an APP scam, don't apply to card payments and / or payments where the account is under the control of the customer.
- With regards to recovery, Mr M's funds were sent to the scammers via international payments to individuals, so unfortunately there was no realistic opportunity for HSBC to recover them. Also, unfortunately card chargeback rules don't cover scams.
- The Payment Services Regulations 2017 (PSR) and Consumer Duty are relevant 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 Mr M 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 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 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.

HSBC was also required to look out for signs of vulnerability. However, although Mr M has explained his vulnerability at the time, I can't see any evidence that, prior to this scam, he'd made HSBC aware of his difficulties and required banking support.

With the above in mind the above, I first looked at whether any of Mr M's payments should've been identified as having a heightened risk and triggered automated or human interventions to protect him from financial harm.

Payment 1 (£3,002.99)

I wouldn't have expected HSBC to have had any concerns about this payment. That's because Company R was a legitimate business and an established payee that Mr M frequently used. This payment wasn't significantly larger than other payments Mr M had made and as mentioned above banks like HSBC have to balance the prevention of financial harm against the risk of unnecessarily inconveniencing or delaying legitimate transactions.

Payment 2 (£4,002.99)

I wouldn't have expected HSBC to have had any concerns about a second consecutive same day payment. But, combined, the two payments were more than £7,000 which was higher than his normal payments to Company C. So, I think HSBC should've noticed a heightened risk and looked to mitigate this before releasing this payment.

Payments 3, 4 and 5 (£500, £500, £900)

These payments were to a different payee and another legitimate Company (Company TS). The payments were all for relatively low amounts and, as mentioned, Mr M had a history of making successive payments and payments for similar amounts to a similar company.

Although these were in quick succession and were transactions with a different company, I don't think these payments would've looked out of character or, together with transactions 1 and 2, been seen as a suspicious pattern of fraud requiring urgent intervention.

However, as it was a new payee, I would though have expected HSBC to have mitigated any fraud and scam risk, through a written warning, when Mr M set up this up. And it's unclear if this happened.

Payment 6 (£2,000)

This was three days after the other five payments and to another new payee which was also a legitimate company. I also don't think this payment would've stood out or a clear fraud pattern had developed to trigger suspicion and further intervention.

However, as with payment 3, I would've expected HSBC to have issued an automated written warning when Mr M set up this new payee.

I can't see any evidence that HSBC put in place risk mitigation upon payment 2. So, I considered what type of intervention they should've put in place and whether, on balance of probabilities, this would've unravelled the scam and stopped Mr M from making further payments.

Having seen evidence of heavy coaching from the scammers (including Mr M's testimony), Mr M being under their spell, made to worry about losing his money (commission and investment) and both sharing information on payment interventions and following their instructions, even if HSBC put in a tailored automated warning or a human intervention, I'm not persuaded this would've been effective.

Based on his responses to Company R and Bank B, when they intervened, I think it more likely than not that Mr M wouldn't have given HSBC any information on the payment being related to payment for work or a job. So, automated warning messages would therefore have been very general, probably asking him to stop and think, telling him to question who he was paying and highlighting that fraudsters make contact on social media and pretend to be a genuine business.

As Mr M was convinced it was a genuine job and concerned about not receiving his money, I'm not persuaded these types of warnings, which would've also been in new payee warnings if HSBC issued them (which I think is likely designed into their system), would've resonated with him.

I in no way blame Mr M for making the payments as the scammers were very cunning and I understand that, in addition to him thinking the job was legitimate, he was '*desperate to recover the money*' he thought he'd invested and gain the commission he believed he had earned. But if HSBC had intervened in the way I would've expected at payment 2, I don't think this would unravelled the scam.

Regard the Bank B call, I recognise the warning about Ponzi schemes didn't resonate with Mr M. But this was because he told a fraud and scam agent probing his payment that he was trading in crypto and this and further misleading answers caused them to give him the wrong type of warning. Although the warnings were about investment scams as opposed job scams, some of the information (about mentors and other people helping him make money) was relevant yet Mr M continued to pay the scammers despite saying he'd discontinue.

So, even if HSBC did a similar stronger type of intervention with probing questions, I think Mr M would've flagged this with the scammer and they would've given him a cover story (which would've likely been paying friends and family which he often did) and HSBC wouldn't have been able to uncover the scam, stop his payments and prevent his loss.

Although the exact reason for HSBC providing Mr M with a refund from payment 6 is unclear, I considered then whether it was reasonable for HSBC to say he could've done more to protect himself and therefore deduct 50%.

Contributory Negligence

There's a general principle that consumers must take responsibility for their decisions. Although I recognise how convincing the scam was and empathise with his loss, I think he should've done more to protect himself.

I think Mr M ought reasonably to have had concerns about the legitimacy of the job offered given the very high commission (USD25,000) in such a short space of time for basic tasks. Also, a requirement to send funds to the supposed employer via individuals through different international payment companies and mislead banks. In addition, not receiving a formal contract should've been seen as very unusual and warranted him to exercise greater caution and do more research.

So, I think it is fair and reasonable for HSBC to split liability when deciding to offer a refund on payment 6.

Finally, regarding Mr M's request for compensation payment, given HSBC ought to have prevented some of the loss from occurring. As distress and inconvenience has been caused by the cruel scammer, rather than HSBC, I don't think it would be fair and reasonable to require them to make such a payment.

So, having considered all the information on file, I'm very sorry to disappoint Mr M but for the above reasons I'm not upholding this complaint against HSBC.

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 Mr M to accept or reject my decision before 8 January 2026.

Paul Douglas
Ombudsman