

The complaint

Mr P is unhappy HSBC UK Bank Plc ('HSBC') didn't reimburse him, in full, for the money he lost when he fell victim to an authorised push payment ('APP') purchase scam.

What happened

The background to this complaint is well known to both parties. So, I won't repeat everything again in detail here, but in summary I understand it to be as follows.

Mr P fell victim to a purchase scam making a payment for £105 – which went to a fraudster. Mr P reported the matter to HSBC who considered whether he was due any reimbursement under the Faster Payment Scheme and CHAPS – Reimbursement Rules ('Reimbursement Rules'). HSBC refunded Mr P, but in doing so it advised that under the Reimbursement Rules it was entitled to apply a claim excess of £100. So, it reimbursed Mr P £5. Mr P complained to HSBC about the excess, but it didn't uphold Mr P's complaint as it considered it had applied the claim excess fairly and in accordance with the Reimbursement Rules.

Unhappy, Mr P referred the matter to our service. He considered there had been no warning that a £100 excess would be applied to any claim and if it had been highlighted it would have made him think before sending his payment, as he would have been aware that he would only get £5 back if he was scammed.

Our Investigator looked into the complaint and didn't recommend the complaint be upheld. In short, they considered HSBC were entitled to deduct a claim excess up to £100 under the Reimbursement Rules. They also didn't think HSBC could have prevented the loss and had acted within a timely manner reporting the matter to the beneficiary bank to try and recover any funds. The Investigator also considered that despite not being aware of the claim excess, Mr P would have proceeded with the payment at the time as he considered it was a genuine purchase and he wasn't aware that he was falling victim to a scam.

As Mr P disagreed, and 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. 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 in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

The Faster Payment Scheme and CHAPS – Reimbursement Rules ('Reimbursement Rules')

The Reimbursement Rules, which came into force on 7 October 2024 and apply to all UK-based payment service providers (PSPs), put a requirement on firms to reimburse APP scam payments made via the Faster Payments Scheme (or CHAPS). However, where applicable, the Reimbursement Rules allow for a claim excess of up to £100 to be deducted by a PSP from the APP scam amount being reimbursed.

I have natural sympathy for Mr P, in that he made a payment as part of a purchase scam, and that payment was for £105 – when there is a claim excess on any reimbursement up to £100 should a PSP choose to apply it. But, and importantly, HSBC is entitled to deduct a claim excess up to £100 should it choose to. If a consumer is deemed vulnerable, then a PSP cannot apply the claim excess, but I haven't seen anything to suggest that Mr P ought to have been deemed as a vulnerable consumer. So that means HSBC was entitled to apply the claim excess. And here it chose to do so. I can't say it has acted unfairly in applying the claim excess when the Reimbursement Rules allow for it to do so.

I appreciate Mr P is frustrated about the claim excess and that he wasn't aware of it. But I don't find that this means he wouldn't have gone ahead with the payment – as he considered he was making a genuine purchase at the time. Mr P wouldn't have proceeded with the payment if he had any doubts that it wasn't a genuine purchase or knew that it was a scam.

I am also mindful HSBC included information about the Reimbursement Rules within its terms and conditions (effective 9 April 2025) within a section called "*What are your rights when payments go wrong, or money goes missing from your account?*" Within that HSBC explains that a £100 claim excess may apply. So, while I appreciate Mr P may not have necessarily been aware of a claim excess, HSBC had detailed that it would consider reimbursing consumers who had been tricked into sending money – in line with the requirements set out by the Reimbursement Rules, and that it would apply the claim excess where applicable.

Was there anything else HSBC could have done to either prevent or recover Mr P's loss?

I wouldn't have expected HSBC to have carried out any additional checks on the payment Mr P made given the amount of the payment. So, I don't think HSBC could have prevented Mr P's loss either.

I can also see that HSBC, upon being notified of the scam by Mr P, acted in a timely manner in reaching out to the beneficiary bank (the bank where Mr P's funds had been sent to) to see if any funds could be recovered. I can see that ultimately the majority of the funds had been moved on/withdrawn. But HSBC did return the funds that were recovered – so I can't fairly say HSBC could have done anything more here.

Overall, the Reimbursement Rules provides protection and reimbursement to consumers who have been the victim of APP scams – but they do also allow for a claim excess to be deducted by a PSP. If Mr P had made a payment to a scam for less than £100, HSBC wouldn't have been required to reimburse him under the Reimbursement Rules. And had Mr P made a higher payment amount, HSBC could still apply the claim excess that it is entitled to apply. It is undoubtedly frustrating for Mr P that he made a payment, as a part of a scam, that was just over the claim excess amount of £100. So, I can understand his

disappointment as he was the victim of a scam and only received £5 as reimbursement. But ultimately, I can't say HSBC acted unfairly in applying the excess amount to his claim when the Reimbursement Rules has provisions that allows it to do so.

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 P to accept or reject my decision before 15 April 2026.

Matthew Horner
Ombudsman