

## **The complaint**

Mr and Mrs H are complaining that HSBC UK Bank Plc didn't do enough to prevent them from making payments to an investment which they now believe to be a scam.

## **What happened**

In 2020 Mr and Mrs H saw a television advert for an investment company. They spoke to the company over the phone and were told that it was authorised overseas. They decided to go ahead with investing in it.

Between May 2020 and November 2020 Mr and Mrs H made payments to the investment from their joint account, by debit card. The payments were sent to two investment companies with similar names (which I'll call company A and company B) although all the payments seemed to have stemmed from the same initial contact with company A. Five payments were made to company A, totalling £10,000 and a further eleven payments were made to company B totalling £31,000. The payments ranged in value from £250 to £5,000.

In July 2024 Mr and Mrs H complained to HSBC. They said that the funds they had invested had all been lost, and they now considered that they'd been the victims of a scam.

HSBC responded to Mr and Mrs H's complaint to say, initially, that it considered the payments had been made to genuine investment companies, rather than a scam. It later added that it didn't consider that the transactions were suspicious such that it ought to have intervened to prevent them.

Mr and Mrs H didn't agree so their complaint was passed to me for review and a decision.

I issued my provisional decision on 8 October 2025. This is what I said.

*"I'm sorry to disappoint Mr and Mrs H but based on what I've seen so far, I'm not currently minded to uphold their complaint. I'll explain why.*

*I've thought about the Contingent Reimbursement Model (CRM) code which can offer a potential means of obtaining a refund following Authorised Push Payment (APP) scams. But the CRM code doesn't apply to payments made by debit card so Mr and Mrs H's payments aren't covered by it.*

*In line with the Payment Services Regulations 2017, consumers are generally liable for payments they authorise. HSBC is expected to process authorised payment instructions without undue delay. But it also has long-standing obligations to help protect customers from financial harm from fraud and scams. Those obligations are however predicated on there having been a fraud or scam.*

*Mr and Mrs H say they believe the investment companies were operating as a scam as opposed to offering a high-risk investment opportunity as a result of which they've suffered a loss. But from what I've seen, I'm not persuaded that they were.*

*Not every complaint referred to us and categorised as an investment scam is in fact a scam. Some cases simply involve high-risk investments that resulted in disappointing returns or losses. Some of these investments may have been promoted using sales methods that were arguably unethical or misleading. However, while customers who lost out may understandably regard such acts or omissions as fraudulent, they do not necessarily meet the high legal threshold or burden of proof for fraud, i.e. dishonestly making a false representation and/or failing to disclose information with the intention of making a gain for himself or of causing loss to another or exposing another to the risk of loss (Fraud Act 2006.)*

*In this case, both companies Mr and Mrs H invested in were regulated in an overseas jurisdiction, and they were also authorised by the Financial Conduct Authority (FCA) to carry out regulated business in the UK at the time Mr and Mrs H made the payments. Generally, firms set up with the intention of scamming consumers are highly unlikely to submit themselves to any sort of regulatory oversight. Company A's permission to operate in the UK was withdrawn by the FCA in 2021, due to its business practices and misleading promotional materials, and the overseas authorisation of both companies has now been withdrawn. But, while there may have been concerns about their conduct, I don't think this means that these companies were set up with the intention of defrauding customers. Taking everything into account, I'm not able to conclude that Mr and Mrs H have been the victims of a scam.*

*However, for completeness I'll also go on to briefly address Mr and Mrs H's further points about whether HSBC ought to have done more to prevent the disputed payments.*

*I agree with the Investigator that I don't necessarily think HSBC ought to have intervened here. Although the payments were higher in value than payments Mr and Mrs H typically made from their account, they were reasonably spread out over six months, and they didn't escalate rapidly in value or frequency in a way which can sometimes indicate a scam is taking place. And their individual value wasn't of a level where I'd necessarily expect HSBC to have been concerned that Mr and Mrs H were at an elevated risk of financial harm through a scam.*

*Even if HSBC had intervened directly, it's unlikely the payments would have been prevented. I say this because in a conversation with Mr and Mrs H about the circumstances of the payments I don't think either HSBC or Mr and Mrs H would have been particularly concerned that they were potentially investing in a scam, given the companies' regulation status and the absence of much adverse information about them being available at the time. And HSBC isn't under any obligation to advise or warn Mr and Mrs H about a potentially high-risk investment.*

*Overall, I'm not persuaded that HSBC ought to have done anything else here which would have led to Mr and Mrs H's payments to the investment companies being prevented.*

*I've also thought about whether HSBC ought to have done anything to attempt to recover the funds once Mr and Mrs H reported what had happened. But as the Investigator has*

*explained, Mr and Mrs H's dispute was raised outside of the time limits for the payments to be disputed via the debit card scheme's chargeback rules.*

*Mr and Mrs H have explained that they were vulnerable at the time of the payments, due to their age and being unable to work at that time due to lockdown. I do appreciate that this would have been a difficult time, but I've not seen anything to make me think HSBC ought to have been aware of any vulnerabilities such that it ought to have done anything differently here.*

*I'm sorry to disappoint Mr and Mrs H. But for the reasons I've explained, I don't think that they've suffered a loss to a scam. And even if I could conclude they'd been victims of a scam, I don't think HSBC ought to have done anything else which would have led to the payments they made being prevented."*

HSBC replied to say it had nothing else to add. Mr and Mrs H replied to say, in summary, that they were disappointed with the outcome because they felt that they had been scammed, and that HSBC ought to have intervened.

### **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've considered what Mr and Mrs H have submitted in response to my provisional decision. I don't think they've raised any new points or arguments which I've not already considered. So, although I'm very sorry to disappoint them, I'm not changing my provisional decision that I'm not upholding their complaint, for the reasons I've explained.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs H to accept or reject my decision before 1 December 2025.

Helen Sutcliffe  
**Ombudsman**