

## The complaint

Mr H is complaining that HSBC UK Bank Plc didn't do enough to prevent him from making payments to an investment which he now believes to be a scam.

## What happened

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

Between January 2020 and September 2020 Mr H made eight payments from his credit card account with HSBC. 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. Four payments totalling £4,000 were sent to company A and four payments totalling £7,500 were sent to company B. The payments ranged in value from £500 to £4,500.

In July 2024 Mr H complained to HSBC. He said that the funds he had invested had all been lost, and he now considered that he'd been the victim of a scam.

HSBC responded to Mr 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 H didn't agree so his 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 H but based on what I've seen so far, I'm not currently minded to uphold his 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 credit card so Mr 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 H says he believes the investment companies were operating as a scam as opposed to offering a high-risk investment opportunity as a result of which he's 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 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 he 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 all this into account, I can't conclude that Mr H has been the victim of a scam.*

*However, for completeness I'll also go on to briefly address Mr 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 think HSBC ought to have intervened here. The payments Mr H made were reasonably spread out over eight months; 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 H was 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 H about the circumstances of the payments I don't think either HSBC or Mr H would have been particularly concerned that he was 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 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 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 H reported what had happened.*

*As the Investigator has explained, Mr H's dispute was raised outside of the time limits for the payments to be disputed via the card scheme's chargeback rules. Mr H made the disputed payments on his credit card, so there is also the possibility that he could seek to recover his funds via a claim under section 75 of the Consumer Credit Act 1974, for breach of contract or misrepresentation by the merchant. From the information I have seen so far, I can't see that Mr H has submitted a claim to HSBC on this basis, or that HSBC has otherwise considered this. It looks like Mr H is still within the time limit to pursue this with HSBC if he wishes to. However, it's likely Mr H would need to provide evidence of a breach of contract or misrepresentation on the part of the investment companies.*

*Mr H has said that he was vulnerable at the time of the payments, due to his 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 H. But for the reasons I've explained, I don't think that he's suffered a loss to a scam. And even if I could conclude he'd been the victim of a scam, I don't think HSBC ought to have done anything else which would have led to the payments he made being prevented."*

HSBC had nothing to add after my provisional decision. Mr H replied to say, in summary, that he was disappointed with the outcome because he felt that he 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 H has submitted in response to my provisional decision. I don't think he's raised any new points or arguments which I've not already considered. So, although I'm very sorry to disappoint him, I'm not changing my provisional decision that I'm not upholding his complaint, for the reasons I've explained.

### **My final decision**

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

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

Helen Sutcliffe  
**Ombudsman**