

## **The complaint**

O complains that HSBC UK Bank Plc will not reimburse funds lost to a scam.

Mrs T is the director of O and brings this complaint on behalf of the business, for ease I have mostly referred to Mrs T in this decision.

## **What happened**

Mrs T was contacted by someone claiming to be a travel agent and in February 2024 she paid £3,729 towards what she thought were genuine flight bookings. When she did not get the tickets and the broker claimed not to have received the funds, she reported the matter to HSBC but it did not reimburse the funds and it did not uphold the subsequent complaint.

Our Investigator didn't think the complaint should be upheld. She didn't think HSBC missed an opportunity to identify that the payment was being made to a scam. Our Investigator also said there were no real prospects of recovery through a chargeback claim and there wasn't a valid claim under section 75. However she thought HSBC should pay £150 compensation for the level of service Mrs T received.

HSBC accepted our Investigator's opinion but Mrs T didn't, as such the complaint has been passed to me for a final decision.

## **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, I agree with the outcome our Investigator reached for the following reasons.

Taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, HSBC should take steps to identify and where possible prevent sufficiently unusual or uncharacteristic payments to help protect its customers from financial harm resulting from fraud. However, I do not find the payment Mrs T made significantly unusual or out of character to raise suspicion and warrant intervention from HSBC.

I appreciate that Mrs T thinks HSBC could have done more to recover the funds when she reported the matter. However when a card payment is made it's not usually possible for HSBC to reverse the payment unless the merchant rejects it, even if the payment appears as pending on the account. And the only means of recovery available to HSBC would have been a chargeback or section 75 claim. The payment was made by O's business credit card to a legitimate merchant and a service provided, therefore I find there were no real prospects of recovering the funds lost. As such, I can't fairly or reasonably hold HSBC liable for the loss.

That said, I find there were delays in its handling of the matter, while I'm satisfied it did not impact the overall outcome of the dispute, I think it caused some inconvenience. HSBC agreed to pay O £150 compensation and I think that's fair in the circumstances.

### **My final decision**

For the reasons outlined above, my final decision is that I uphold this complaint and require HSBC UK Bank Plc to pay £150 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask O to accept or reject my decision before 31 December 2025.

Oluwatobi Balogun  
**Ombudsman**