

The complaint

Mrs J is unhappy HSBC UK Bank Plc wont refund money she says she lost to a scam.

Mrs J is being represented by her husband, Mr J. However, to keep things simple, I'll mainly refer to Mrs J throughout my decision.

What happened

Mrs J told our service she had been a victim of an impersonation scam, after she received a call from a scammer claiming to be a police officer. She said the scammer knew her personal details, where she worked, and made personal threats to her and her family. Mrs J said the scammer told her she needed to make the following payments to two separate payees, otherwise the threats would be carried out.

As a result, she made the following payments:

Payment	Date	Payee	Amount
1	19 November 2021	A	£450
2	20 November 2021	A	£550
3	24 November 2021	A	£2,500
4	25 November 2021	A	£2,500
5	01 December 2021	B	£7,500
6	08 December 2021	B	£5,000
7	08 December 2021	B	£4,000
Total:			£22,500

Mrs J said she tried to raise the matter with HSBC directly on various occasions in 2021. However, it refused to acknowledge her complaint or help her recover her funds. And when she was able to log a complaint, HSBC said it was a civil matter between her and the person she made the payments to, as she had previously confirmed that she knew the payees.

Mrs J referred the matter to our service and one of our Investigators didn't uphold her complaint. The Investigator said the evidence provided by HSBC didn't indicate that a scam had taken place, as Mrs J had confirmed on a phone call with HSBC that she knew the third party that the funds were transferred to, which wasn't what Mrs J had told our service. And due to the inconsistent stories, she couldn't be satisfied a scam had taken place.

Mrs J didn't agree and asked for her complaint to be referred to a decision. Therefore, the matter has 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.

However, it would only be fair for me to direct HSBC to refund Mrs J's loss if I thought they were responsible. And for similar reasons as our Investigator, I'm not persuaded that this was the case. I'll explain why.

In broad terms, the starting position in law is that a bank is expected to process payments that their customer authorises them to make. Here, it isn't disputed that Mrs J knowingly made the payments – albeit as she has mentioned under the guidance of the scammer - and so, I'm satisfied she authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of the account, HSBC are expected to process Mrs J's payments, and she is presumed liable for the loss in the first instance.

It's important to highlight that with cases like this I can't know for certain what has happened. So, I need to weigh up the evidence available and make my decision on the balance of probabilities – in other words what I think is more likely than not to have happened in the circumstances. Having carefully considered the evidence I consider HSBC acted reasonably in declining Mrs J's claim. I've taken into account the following:

HSBC have provided our service with numerous calls that took place around the time the transactions took place in 2021, where initially only the payments to Payee B were mentioned as a scam. On various calls, Mr and Mrs J both confirmed that Mrs C knew the payees the payments were being made too. Mrs J also confirms on one call that Payee A was someone she asked to help her get a third party to continue making loan payments after the third party had taken a loan out in her name. So, I don't think HSBC was unfair or unreasonable when it declined Mrs J's claim as a civil matter.

This differs significantly from what Mrs J has now told us. Since she reported the matter to HSBC, Mrs J has told our service she received a call from someone pretending to be a police officer and that she didn't know who the person was, and the payments were made under pressure and threats.

Overall, I'm not persuaded with Mrs J's explanations of what's happened given the significant changes in testimony. I think the original explanation that Mr and Mrs J gave to HSBC in 2021 is more likely than what has been said subsequently. And on this basis, I can't safely conclude that Mrs J has been a victim of a scam. So, I am not asking HSBC to do anything in relation to the payments she's reported as fraudulent.

Customer service issues

The Investigator has also considered customer service failings in logging the complaint Mrs J wanted to raise when the payments were made, and asked HSBC to pay £50 compensation for inconvenience, which it has agreed to pay. So, I wouldn't be asking them to do anything more here.

My final decision

My final decision is that I uphold this complaint, in part and ask HSBC UK Bank Plc to pay Mrs J £50 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 5 January 2026.

Israr Ahmed
Ombudsman