

The complaint

Mr D complains that HSBC UK Bank Plc won't refund him the amount he lost as the result of a job scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr D was looking for a job and was contacted, on a messaging app, by an unknown person (the scammer) about a job opportunity.

Mr D spoke to an agent (another scammer) and was offered a commission-based job completing holiday reviews, aimed at boosting search engine optimisation. He was recruited, added to a group chat with other employees and an account was created for him on a platform pretending to be part of a legitimate company.

Mr D was informed that he would need to deposit his own funds to gain access to high value tasks and that he would later be able to withdraw his funds and commission. But to release all the commission he could see he had earned he had to pay the company 40% of his earnings.

Mr D paid the scammers approximately £60,000 using money he saved for a house deposit. He also borrowed money from friends and family. Most of his loss went through his HSBC account as he made payments to:

- An account he set up with Company S (an international payment company) and then onto the scammers.
- Bank H, Bank M and Firm R and then onto the scammers via crypto accounts they guided him to set up.

| No. | Date | Time | Payment method | Payee | Amount |
|-----|------------|----------|----------------|-------------------------------|--------|
| 1 | 15/02/2025 | 12:01:40 | Faster Payment | Mr D's account with Firm R | £610 |
| 2 | 15/02/2025 | 20:45:45 | Card | Mr D's account with Company S | £1,662 |
| 3 | 15/02/2025 | 21:22:59 | Card | Mr D's account with Company S | £4,656 |
| 4 | 15/02/2025 | 22:14:28 | Card | Mr D's account with Company S | £3,600 |
| 5 | 16/02/2025 | 20:18:19 | Faster Payment | Mr D's account with Halifax | £5,000 |
| 6 | 16/02/2025 | 20:40:54 | Faster Payment | Mr D's account with Halifax | £4,000 |
| 7 | 16/02/2025 | 10:16:01 | Card | Mr D's account with Company S | £4,000 |
| 8 | 16/02/2025 | 10:27:25 | Card | Mr D's account with Company S | £2,228 |

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|----|------------|----------|--------------------------------------|-------------------------------|--------|
| 9 | 16/02/2025 | 17:39:44 | Card | Mr D's account with Company S | £3,700 |
| 10 | 17/02/2025 | 10:09:05 | Faster Payment | Mr D's account with Monzo | £488 |
| 11 | 17/02/2025 | 16:49:45 | Faster Payment | Mr D's account with Monzo | £1,000 |
| 12 | 17/02/2025 | 16:53:48 | Faster Payment | Mr D's account with Monzo | £600 |
| 13 | 17/02/2025 | 17:05:55 | Faster Payment | Mr D's account with Monzo | £30 |
| 14 | 17/02/2025 | 19:53:00 | Faster Payment | Mr D's account with Monzo | £1,000 |
| 15 | 17/02/2025 | 12:50:10 | Mobile (e.g. direct carrier billing) | Mr D's account with Company S | £4,000 |
| 16 | 17/02/2025 | 13:22:03 | Mobile (e.g. direct carrier billing) | Mr D's account with Company S | £4,000 |
| 17 | 17/02/2025 | 13:35:38 | Mobile (e.g. direct carrier billing) | Mr D's account with Company S | £2,000 |
| 18 | 19/02/2025 | 05:44:44 | I/book | Mr D's account with Monzo | £40 |

When Mr D couldn't withdraw his funds and was asked to pay more money he reported a scam to Action Fraud.

He then contacted HSBC, Bank H and Bank M, claiming a refund of his losses, as he didn't think they'd done enough to protect him. However, HSBC, Bank H and Bank M all rejected his claim as he'd paid other accounts under his control.

Mr D brought a complaint to our service about HSBC only.

Our investigator said she hadn't seen anything to suggest Mr D was coached on what to say and if HSBC intervened at payment 3 and asked him the purpose of the payments he would've revealed why he was making the payments, which would've resulted in the appropriate scam warning being given to him and the scam being unravelled. As she thought there was contributory negligence from Mr D her view was that HSBC should provide Mr D with a 50% refund from payment 3 plus interest.

Mr D appears to be in agreement. HSBC didn't think they should be held liable for the transfers made to the other banks. Also, they questioned whether the other banks had intervened and if Mr D was honest with them. In addition, they thought Mr D might be entitled to full refunds from the other banks.

Due to HSBC's dissatisfaction this complaint has been passed to me to look at.

I issued a provisional decision on 5 November 2025, and this is what I said:

I've considered the relevant information about this complaint.

My provisional decision is the same outcome of that reached by our investigator. However, as I've clarified some matters, including coaching, complaints to other banks and interventions, I'd like to give both parties a further opportunity to respond.

The deadline for both parties to provide any further comments or evidence for me to consider is 19 November 2025. Unless the information changes my mind, my final decision is likely to be along the following lines.

If HSBC UK Bank Plc accepts my provisional decision, it should let me know. If Mr D also accepts, I may arrange for the complaint to be closed as resolved at this stage without a final decision.

What I've provisionally 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, my provisional decision is the same as that of our investigator, which is to partially uphold this complaint. And I'll explain why. I should first say that:

- I'm persuaded by Mr D's submissions and transactions that a scam has occurred here and I'm very sorry that he's lost a significant amount of money in this cruel job scam.*
- In making my findings, I must consider the evidence that is available to me and use it to decide what I consider is more likely than not to have happened, on balance of probabilities.*
- I'm satisfied that the APP Scam Reimbursement Rules, introduced by the Payment Systems Regulator in October 2024, for customers who have fallen victim to an APP scam, don't apply to either card payments and payments where the account is under the control of the customer.*
- With regards to recovery, Mr D's funds were sent to the scammers via international and crypto payments after HSBC made transfers, so unfortunately there was no realistic opportunity for HSBC to recover them.*
- The Payment Services Regulations 2017 (PSR) and Consumer Duty are relevant here.*

PSR

Under the PSR and in accordance with general banking terms and conditions, banks should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. There's no dispute that Mr D made the payments here, so they are considered authorised.

However, in accordance with the law, regulations and good industry practice, a bank should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

Banks do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions.

So, I consider HSBC should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.*
- Have systems in place to look for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average*

customer.

- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

Consumer Duty

Also, from July 2023 HSBC had to comply with the Financial Conduct Authority's Consumer Duty which required financial services firms to act to deliver good outcomes for their customers. Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, HSBC was required to act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud

So, with the above PSR and Consumer Duty in mind, I considered the following:

Should HSBC have recognised that Mr D was at risk of financial harm from fraud and did they take any action?

I'm in agreement with our investigator that payment 3 for £4,656 on 15 February 2025 should've triggered a human intervention. This is because it was the second payment to a new payee on the same day, with the previous payment only forty minutes earlier. Also, although Mr D was using a legitimate company (Company S) he was unusually using his funds to make international payments, which have a heightened risk, and to fund the payments his account was starting to receive credits, meaning his balance was much higher than usual.

So, I think upon payment 3, an HSBC agent should've intervened to give educational information and warnings about scams and ask probing questions about what was occurring to ensure Mr D wasn't at risk of financial harm.

I also think that there were further trigger points for additional human interventions. This is because there was a lot of unusual, out of character and concerning activity taking place in just a few days.

Regarding Company S, Mr D made a third payment less than an hour after payment 3 which made the total, on 15 February 2025, £9,918. Then on the following day (16 February 2025) he made three more payments, totalling £9,928, and the first two of those payments (numbers 7 and 8) were within 12 minutes of each other. And the next day (17 February 2025) a further three payments, totalling £10,000, with all three payments being made within 45 minutes. So, a significant amount of money went from Mr D's account to Company S in only a few days and I can't see that HSBC did any analysis or put in place any intervention.

At the same time, Mr D was unusually making large transfers to other banks. This included two payments to Bank H on 16 February 2025, totalling £9,000, in approximately 30 minutes. And, although for lower amounts, five separate payments on 17 February 2025 to Bank M which included two payments within 5 minutes. Yet, on these transfers, which can be a hallmark of a multi-stage payment scam, the only intervention I can see is tailored automated warnings on the Bank H payments (payment numbers 5 and 6). I think these transfers on their own would've been unusual and concerning for Mr D's account; however, here they were happening at the same time as the Company S payments. So, I think they warranted human intervention to probe, detect a scam and protect Mr D from financial harm.

So, having considered the above, I think HSBC should've recognised that Mr D was at risk of financial harm from fraud and put in place human interventions – starting with payment 3.

I then considered:

What would've happened if an experienced fraud and scam agent had intervened and whether that would've prevented the losses Mr D suffered?

I looked closely at Mr D's dialogue with the scammer, recognising some of it was over the phone. Although there were no interventions from Bank M, I listened to the human intervention call recordings I requested from Bank H. Having assessed this, I found that:

- *The scammer was controlling and manipulative.*
- *As a result, Mr D discussed his bank accounts, shared details of interventions, showed screenshots and followed their instructions.*
- *There was some evidence of coaching regarding the bank transfers. However, the scammer didn't seem to expect an intervention from Company S.*
- *Although the scammer wanted to be made aware of interventions (and I think it likely Mr D would've told her) the coaching appeared to be light. I say this because:*
 - *Mr D was told to say he was acting alone and to not mention crypto but, importantly, he wasn't given a cover story.*
 - *When Bank H intervened and asked him to explain the reason for transferring funds from Bank H and then onto Bank M, Mr D wasn't truthful and just said he was 'spending and umm basically'. And when he was asked about his credits from HSBC, he just said he was 'purchasing something' and when the agent tried to probe the explanation he gave was unclear and confusing. Also, he sounded very hesitant throughout the call.*
 - *The Bank H agent appeared to be suspicious about Mr D's answers, temporarily leaving the call presumably to consult. Although the payment was allowed, perhaps because it was a 'me to me' payment where Bank M would've had a better picture of what he was doing, Bank H subsequently blocked further payments and Mr D started to transfer directly to Bank M.*

I'm not persuaded that Mr D would've been truthful on interventions about his payments to Company S, Bank H or Bank M. However, considering the above, including Mr D likely having to come up with his own cover story for international payments, the unusual incoming and outgoing transactions (mentioned above) and that banks' agents are trained to give relevant educational information and probe to detect lies and scams, I think, more likely than not (that if the education didn't uncover the scam), they would've been suspicious and blocked the payments.

Regarding educational information, as I don't think Mr D would've mentioned a job, crypto or investments, similar to Bank H's intervention, I think the likely education would've been about impersonation or safe account scams rather than job scams. So, I think it unlikely that (these types of) education and warnings would've resonated with Mr D on bank transfer interventions.

However, although it isn't possible to know what cover story Mr D would've given for Company S interventions, due to the velocity of same day payments for increasing

amounts, I think an agent would've likely mentioned common scams including job scams and how they work. So, I agree with our investigator that an intervention at payment 3 and further interventions on subsequent Company S payments, may have resonated with Mr D and possibly unravelled the scam.

I think, on the balance of probabilities, an HSBC intervention – at payment 3 and on subsequent payments including the bank transfers - would've more likely than not led to the scam being stopped or unravelled and that HSBC are therefore liable for Mr D's loss.

Although I understand HSBC will still have questions about Bank H and Bank M actions here and whether they should've intervened (Bank M) and intervened more effectively (Bank H), Mr D hasn't complained about the actions of those banks. So, although it may be frustrating, our service isn't able to consider shared liability here.

Also, Mr D's subsequent payments from Bank H and Bank M were to other accounts in his name, so he hasn't missed out on refunds.

I also recognise that our investigator pointed out contributory negligence from Mr D, which I agree with, and he appears to accept. So, our approach where both parties have made errors is for liability to be shared.

Putting things right

So, regarding Mr D's claim for a refund, I think HSBC should've intervened and a fair and reasonable outcome is for them to pay Mr D 50% of his loss from payment number 3. I'm therefore partially upholding this complaint and I require HSBC to:

- *Pay Mr D £20,171 (50% of £40,342 which is the total of payments 3 to 18 shown in the above table).*
- *Plus pay interest at 8% per annum, from the date the payments were made to the date of settlement.*

My provisional decision

For the reasons mentioned above, my provisional decision is to partially uphold this complaint and make the payments detailed in the above 'putting things right' section.

I'll look at anything else anyone wants to give me – so long as I get it before 19 November 2025.

Unless that information changes my mind, my final decision is likely to be as I've set out above.

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.

Both parties responded before the deadline and accepted my provisional decision.

Mr D said he didn't have anything to add.

HSBC said they '*Continue to disagree with some of these findings. In particular it cannot be fair or reasonable for HSBC's liability to be arbitrarily determined by which regulated firms Mr D decides to refer a complaint to your service about. Your service should still apportion liability fairly. However, to avoid further protracting this matter for our customer, purely as a gesture of goodwill and with no admission of liability we'll agree to your opinion*'.

In response to HSBC's above fairness point, our service can only decide the complaints brought to us, and the consumer (Mr D) has only asked us whether HSBC have acted fairly and could've prevented the loss. I've decided HSBC ought to have done more and the impact of that mistake is the loss directed here. It's not within our power to direct another firm that we don't have a complaint against to pay a portion of a loss.

As no further arguments or evidence have been produced in response to my provisional decision my view remains the same. I therefore adopt my provisional decision and reasons as my final decision.

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- Pay Mr D £20,171 (50% of £40,342 which is the total of payments 3 to 18 shown in the above table).
- Plus pay interest at 8% per annum, from the date the payments were made to the date of settlement.

My final decision

For the reasons mentioned above, my final decision is to partially uphold this complaint, and I require HSBC UK Bank Plc to:

- Pay Mr D £20,171 (50% of £40,342 which is the total of payments 3 to 18 shown in the above table).
- Plus pay interest at 8% per annum, from the date the payments were made to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 10 December 2025.

Paul Douglas
Ombudsman