

## The complaint

Mrs B complains that HSBC UK Bank Plc won't refund money she says she has lost to a scam.

Mrs B is represented in this matter, but for ease of reading I will refer to Mrs B throughout this decision.

## What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here.

In summary, Mrs B made two card payments on 17 June 2021 for £12,338.17 and £2,619.30 respectively from her HSBC account. Mrs B says the payments were in connection with an investment opportunity she had been made aware of by a longstanding friend. Mrs B says her friend had invested with the company and was receiving regular payments. Unfortunately, Mrs B has not been able to provide anything to show her money was credited to an investment she had made.

Mrs B has provided this service with copies of the marketing material she received at the time she made the investment. It shows there was a very significant bonus scheme for introducing others to the investment, with larger bonuses being paid for more referrals.

Mrs B says she had access to a professional looking platform that showed her investment was performing exceptionally with returns of around 4% to 8% per week. In her initial submission to this service Mrs B says she initially received payments in connection with her investment but over time noticed delays in the payments. But in a subsequent submission Mrs B said she didn't receive any payments in connection with this investment.

In October 2023, Mrs B received an email from the company to say that its 'current business model had ended'. Mrs B says she was not able to recover any of the money she had invested. It appears she then realised the investment was not genuine.

In June 2025 Mrs B complained to HSBC, in summary she said she felt it should have intervened before it processed the first payment of £12,338.17 and she said she would have acted on any such intervention.

HSBC did not uphold Mrs B's complaint. It said, it didn't think it had done anything wrong when it processed the payments in June 2021.

An investigator then looked into the complaint. They said they were of the view that HSBC should have intervened, but they didn't think an intervention would have made a difference. In view of this they said they didn't think the complaint should be upheld.

They noted Mrs B had told this service that she had been introduced to the investment by a long-standing friend. The friend had apparently made significant returns and was able to withdraw her money. The investigator said they felt this would have given Mrs B comfort that

this was a legitimate investment. Likewise, there was nothing to show there were reviews or other evidence to suggest the investment was a scam at the time Mrs B made her investment. In view of this the investigator said they didn't think that, even if HSBC had intervened, Mrs B would have decided not to proceed with the investment at that time.

Mrs B did not accept the investigator's view. Mrs B noted the investigator had said HSBC should have contacted her before it processed the first payment and provided appropriate warnings and information to allow her to make an informed decision about whether she wanted to proceed with the payment. Mrs B said she had not seen her friend for over 35 years, so would not have had 'any issues with backing out' if HSBC had 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'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Having very carefully considered this complaint, like our investigator, I don't think it should be upheld. I'll explain why.

I am sorry to hear Mrs B has lost money, but this doesn't automatically entitle her to a refund from HSBC. It would only be fair for me to tell HSBC to reimburse Mrs B if I thought it reasonably ought to have prevented the payments or it unreasonably hindered recovery of the funds.

### **Prevention**

Good industry practice requires HSBC to be alert to fraud and scams and to act in its customers' best interests. This is predicated on there having been a fraud or scam. So, a first consideration in determining HSBC's obligations here would normally be: was Mrs B scammed as she alleges? Here though, I don't think the answer to this question makes a difference to the fair outcome of this complaint. This is because if Mrs B wasn't scammed, HSBC had no obligation to prevent the payment, and so I couldn't reasonably hold it responsible for not doing so.

On the other hand, if Mrs B was scammed:

- A bank's principal duty is to act on its customers payment mandate under the terms of the account. This position has long been recognised in common law. So, if a bank fails to comply with a validly executed payment order, it could be held liable for damages.
- What that means is the starting point is that a bank is expected to process payments and withdrawals that a customer instructs it to make without due delay. So, presented with a payment instruction, in accordance with the terms of the account, a bank must honour the payment unless there are legal, regulatory, or contractual grounds which may, in exceptional circumstances, allow refusal of the payment instruction.

Here it is accepted that the payments were authorised by Mrs B, so, under the terms of the

account, she is presumed liable for the loss in the first instance. That said, as a matter of good industry practice HSBC should have taken proactive steps to identify and help prevent transactions – particularly sufficiently unusual, uncharacteristic or suspicious transactions – that could involve fraud or be the result of a scam.

However, there are many payments made by customers each day and it's not realistic or reasonable to expect a bank to stop and check every payment instruction. There's a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments.

In this case, having considered the circumstances of the payments Mrs B made, I don't think the payments she made were particularly unusual and out-of-line compared to other payments she had made from her account in the previous 12 months. Mrs B had previously made numerous large payments including;

- £20,000 on 10 August and 3 September 2020
- £21,500 on 14 September 2020,
- £22,500 on 28 September 2020,
- £12,000 on 9 December 2020,
- £10,000 on 18 March 2021,
- £255,000 on 19 March 2021,
- £10,000 on 29 March 2021, £10,000 on 30 and 31 March, 1 April and 8 April 2021,
- £35,000 on 15 April; and
- £10,000 on 5 May 2021.

I accept the majority of these payments were made by bank transfer, not card payment, but even so I don't think the payment of £12,338.17 on 17 June 2021 would have looked significantly out-of-line with the usual spending pattern for Mrs B's account. That said the payment was to a merchant Mrs B had not previously paid.

So in these particular circumstances, in order to meet its obligations summarised above (assuming, for the sake of argument, that Mrs B was scammed), I think HSBC should have provided an appropriately tailored warning before processing the payment.

But even if I were to say that HSBC failed to act when it should have done, that alone is not enough to uphold the complaint. I must also be satisfied that any such failing caused Mrs B's loss - in other words, that if HSBC had intervened in the way I would have expected Mrs B would likely have acted differently and avoided the loss.

So, I've gone on to think about whether an appropriate intervention would likely have made a difference. Ultimately, I don't think a tailored warning from HSBC would have made a difference or prevented the payment. I say this because when Mrs B made the payments, she says she had been led to believe she was making an investment with a legitimate company that had been recommended to her by a long-standing friend (and former colleague). She had been told that the friend's investment was successful, and her friend was able to make withdrawals from her investment. So, even if Mrs B had received a tailored warning from HSBC, I don't think it would've highlighted anything that would've caused Mrs

B concern. Likewise, I'm not aware of any information HSBC could or should have known at the time from which it ought to have been concerned Mrs B was being scammed.

Ultimately, I don't think I can fairly say it would have been able to give Mrs B a tailored warning that would have led her to doubt what she already knew, including if she'd undertaken further reasonable research at the time.

Even if HSBC had given a tailored warning advising Mrs B to conduct further checks on her investment, I'm not persuaded she would have found any negative information online, as she hasn't supplied anything from that point in time that shows this might have been a scam. As Mrs B has outlined, she did not have any cause for concern about the investment until 2023.

I appreciate Mrs B says she would not have had 'any issues with backing out' if HSBC had intervened, and I accept this may have been the case. But I can't safely find that a tailored warning would have resonated with Mrs B in the circumstances of this complaint.

### Recovery

I've also looked at whether HSBC took the steps it should have once Mrs B contacted it to dispute the payments. After the payments were made, I couldn't reasonably expect HSBC to have done anything further until Mrs B told HSBC that she thought she had been scammed.

The payments Mrs B made were by debit card so the chargeback process is relevant here. It is not in dispute that Mrs B authorised these payments.

This service would only expect HSBC to raise a chargeback if it was likely to be successful. Based on the available evidence it does not look like a claim that would have been successful. I say this because it appears Mrs B paid a legitimate merchant and says she received a service from this merchant. It appears the merchant was a cryptocurrency exchange; and changed Mrs B's payments into cryptocurrency before sending it on to the scammers. As it appears the merchant provided the service Mrs B had paid for, I don't think a chargeback would have had any prospect of success.

I realise this means Mrs B has lost a significant amount of money. And I'm very sorry she has lost this money. But I think this was ultimately caused by the actions of the business she invested her money with, and not HSBC. I can't reasonably ask HSBC to reimburse Mrs B in the circumstances as I don't think it ought reasonably to have prevented the payments or recovered them.

### **My final decision**

My decision is that, for the reasons I have set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 12 January 2026.

Suzannah Stuart  
**Ombudsman**