

The complaint

Mr A complains that HSBC UK Bank Plc (“HSBC”) won’t refund him money, which he believes he lost to an Authorised Push Payment (“APP”) investment scam.

What happened

The background to this complaint is well known to all parties, so I won’t repeat it in detail here. But in summary, I understand it to be as follows.

In 2020, Mr A was introduced to a man, who I’ll refer to as ‘T’. Mr A has said T was regarded in the community as trustworthy and spoke to him about an investment opportunity, which involved the purchase of gold, which would then be turned into jewellery. Mr A understood that the investment would provide annual returns.

Mr A has said he carried out his own research and satisfied with what he saw, he decided to invest. Between October 2020 and June 2022, Mr A made four payments from his HSBC account towards the investment. T provided Mr A with the account details to which the payments needed to be paid, which included two company accounts, for companies which I’ll refer to as “Company A” and “Company B”, as well as details for a payment to be made to a personal account, which I’ll refer to as “H”.

A breakdown of these payments is listed below:

Payment	Date	Payee	Payment type	Amount
1	06/07/2020	Company A	Faster Payment	£7,545
2	23/11/2020	Company B	Faster Payment	£10,000
3	24/11/2020	Company B	Faster Payment	£10,000
4	27/06/2022	H	Faster Payment	£12,000

Mr A didn’t receive the returns that were promised and believes that he has been scammed.

Mr A raised the matter with HSBC, but it didn’t uphold his complaint. In summary it considered this to be a civil matter and that the payments were not covered by the Contingent Reimbursement Model (CRM) Code.

Unhappy with HSBC’s response, Mr A brought his complaint to this service. One of our Investigator’s looked into things, but she didn’t think the complaint should be upheld. In summary, our Investigator didn’t agree that the evidence supported that payments one to three, in the table above, were made in connection with a scam. She added that she also didn’t think there was enough information available for her to determine that payment four was made as a result of a scam. Overall, our Investigator didn’t think HSBC were liable to refund Mr A the payments he’d made.

Mr A disagreed with the Investigator’s findings. In summary, he maintained that he was the victim of an APP scam and that HSBC did not meet its duty to protect him.

As agreement couldn't be reached the complaint has been passed to me for a 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.

Mr A, in response to our Investigator's view, has provided some very detailed and what I'd consider legalistic arguments as to why he thinks HSBC is liable to reimburse him the money he has lost. I won't be responding in kind, and I won't necessarily go through every single point on a strict point-by-point basis, nor go through all the potentially relevant rules line-by-line, as a court might.

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've not 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.

In his submissions, Mr A has also referred to other decisions issued by our service. But I would point out that, while on the surface complaints may seem quite similar, each complaint is determined by its own individual circumstances. Here, as I'm required to do, I've looked at the individual circumstances of Mr A's complaint.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

In broad terms, the starting position at law is that a bank such as HSBC is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Here it's not in dispute that the payment was authorised, so the starting position is that HSBC isn't liable for the transaction.

There are, however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

HSBC also has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm. Taking these things into account, I need to decide whether HSBC acted fairly and reasonably in its dealings with Mr A.

HSBC were a signatory of the CRM Code, which was in place at the time these payments were made and which required firms to reimburse customers who have been the victims of authorised push payment (APP) scams in all but a limited number of circumstances.

The relevant part of the CRM Code definition of an APP scam requires that the payment was made to: *“another person for what they believed were legitimate purposes but which were in fact fraudulent.”*

The Code also explains that it does not apply to *“private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier”*.

Payments 1-3

In order to reach my decision on this complaint, I've considered the purpose for which Mr A made, and Company's A and B received the payments. And, if there is a significant difference in these purposes and whether I can be satisfied that this difference was as a result of dishonest deception.

It's clear that Mr A believed the purpose of making the payments was to fund an investment in gold. So, I've gone on to consider what purpose Company's A and B had in mind and whether that was in line with the purpose Mr A made the payment.

The evidence I've seen indicates that Company A and Company B were two companies that were linked in offering opportunities to invest in gold. I'm aware that Company A had a genuine shop, which has since closed. Alongside this, I'm aware that Company B was VAT registered and had an EORI number, which is a mandatory requirement for businesses moving goods internationally. From what I've seen, both companies were also registered on Companies House, with the nature of the firms also being consistent with what Mr A believed he was making the payments for.

I'm aware Company A are currently in liquidation. I've reviewed the liquidator's most recent report and, while they reference ongoing investigations into the actions of Company A, they do not draw the conclusion that the company defrauded investors. I've also not seen any evidence that supports that Company B were involved in fraudulent activity.

I do appreciate there is an ongoing police investigation and recognise that this may appear to be proof that Mr A has been the victim of fraud—as it infers that the police have taken the matter seriously enough to pursue this course of action. However, the purpose of an investigation is to gather evidence. And that will likely go toward investigating what the intent was at the time; the result of which may or may not lead to a prosecution. But in and of itself, an investigation doesn't automatically mean that a fraud has occurred and importantly, I've not received any confirmation that Company A, B, or their directors have been prosecuted or found guilty of fraud, or that Mr A's funds weren't used in the agreed manner.

I appreciate Mr A's point that businesses can be registered and still be fraudulent, and I'm mindful that the lack of an outcome from the police doesn't prove innocence. They are however additional points that we consider when deciding the legitimacy of a company and while neither of these things is firm evidence that a fraud hasn't taken place, they do help to build a picture on what is most likely.

Ultimately, the evidence provided by Mr A doesn't sufficiently demonstrate that his funds were not used for the purpose agreed by him and Companies A and B, nor has he shown that the companies had set out to defraud him at the time of the payments. Because of this, I'm unable to agree that he is a victim of an APP scam as defined by the CRM Code.

As I don't believe Mr A is the victim of an APP scam, and that this is a civil matter between him and Company A and Company B, I'm satisfied that HSBC hasn't failed any of its

obligations by not discussing the possibility of these payments being made as part of a scam with Mr A prior to them debiting his account.

Overall, I'm not persuaded that Mr A has fallen victim to an APP scam, based on the evidence available. That being the case, I'm not persuaded that these payments are covered by the CRM Code or that HSBC were incorrect in declining Mr A's request for reimbursement under the Code.

Payment 4

As our Investigator has explained in their view, Mr A hasn't been able to clearly evidence that he made this disputed payment as the result of a scam. This payment, unlike the others, was made to a personal account, with Mr A believing that it was also being made for the purposes of investing in gold.

Unfortunately, Mr A no longer holds any evidence of the communications he had regarding this payment, nor any documentation or paperwork related to the investment for which the payment was intended. I appreciate there has been a considerable amount of time between the payment being made and Mr A raising the matter with this service, and I don't doubt that this, along with the problems Mr A has said he had with his phone, would have made it even harder for Mr A to produce appropriate evidence. But in the absence of any evidence to show his communications with a scammer, along with evidence that would support this payment was lost to a scam; I can't say with any certainty what level of financial loss Mr A has suffered, nor that the payment was made as the result of an APP scam.

It follows that I think HSBC were reasonable in declining his claim when considering this payment against the provisions of the CRM Code.

I'm sorry to hear of what's happened to Mr A and I have a great deal of sympathy for him. He has lost a significant amount of money, and I don't doubt he has been badly let down. But I'm not persuaded this is something that HSBC can fairly be said to be responsible for. And it follows that there isn't a reasonable basis upon which I can require it to do more to resolve this complaint.

I would like to make it clear that my findings are not intended to conclusively rule this matter a civil dispute: I acknowledge the possibility that Mr A may have been the victim of fraud here. But the evidence currently available to me doesn't support that assertion to the extent that HSBC ought to have reimbursed him under the provisions of the CRM Code. However, should further information come to light in the future that does support a fraud likely took place, Mr A has the option to present this new evidence to HSBC for review and further consideration.

My final decision

My final decision is that I do not uphold this complaint against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 27 January 2026.

Stephen Wise
Ombudsman