

The complaint

Mr B complains that HSBC UK Bank Plc ('HSBC') hasn't refunded the money that he says he lost to an authorised push payment ('APP') investment scam.

What happened

The circumstances of the complaint are well-known to both parties. So, I don't intend to set these out in detail here. However, I'll provide a brief summary of what's happened.

Between November 2021 and December 2021, Mr B says he made six investments with an enterprise, which I'll refer to as 'Company H'. The disputed payments are listed in the table below.

No.	Date	Payee	Amount
1	22/11/2021	1	£2,300
2	25/11/2021	2	£6,570
3	29/11/2021	3	£4,000
4	29/11/2021	4	£3,300
5	21/12/2021	5	£4,000
6	21/12/2021	6	£3,300
7	22/12/2021	6	£3,300

Payment 6 didn't debit Mr B's account. HSBC thought that payment was suspicious and so it attempted to call Mr B to discuss it, before processing the transaction. HSBC couldn't speak to Mr B immediately and as a result, the payment was cancelled. Mr B called HSBC the following day and confirmed the payment attempt was genuine and it was subsequently remade.

Mr B says he never received any returns from Company H and subsequently became aware that it was a scam. In May 2025, Mr B raised a complaint with HSBC and asked it to reimburse his loss of £23,470. HSBC considered Mr B's complaint but didn't uphold it. HSBC felt the situation was a civil dispute between Mr B and Company H and not an APP scam. So, HSBC didn't think it was responsible for refunding Mr B's loss.

Unhappy with HSBC's response, Mr B referred his complaint to this service. Our Investigator considered the complaint but didn't uphold it. In summary, they explained that they thought Company H was, more likely than not, a scam. However, Mr B hadn't been able to provide any evidence linking payments 1 to 4 to an investment with Company H, so our Investigator didn't think it was fair to say those payments were made as the result of an APP scam or that HSBC needed to refund them.

Our Investigator thought payments 5 and 7 were, most likely, an investment with Company H. However, they didn't think HSBC reasonably could've prevented those payments being made, meaning HSBC couldn't fairly be held responsible for refunding them.

Mr B didn't accept our Investigator's opinion. As an informal agreement couldn't be reached, the complaint 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.

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 have been good industry practice at the time.

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

It's not in dispute that Mr B made the disputed payments from his HSBC account. So, the payments were authorised and under the Payment Services Regulations, the starting position here is that Mr B is responsible for the payments (and the subsequent loss). However, that's not the end of the story.

At the time Mr B made the disputed payments, HSBC was signed up to the Lending Standards Board's Contingent Reimbursement Model ('CRM') Code. The CRM Code provided additional protection from APP scams. However, the CRM Code didn't apply to every APP which ultimately resulted in a loss for a customer. For Mr B's claim to be considered under the principles of the CRM Code, I'd need to be persuaded that it applies in his circumstances.

The CRM Code can only apply where a payment meets the CRM Code definition of an APP scam. The relevant definition for this case would be that Mr B transferred funds to another person (or company as was the case for Mr B's second payment) for what he believed were legitimate purposes, but which were in fact fraudulent.

Company H purported to be a cryptocurrency investment opportunity. From what I know of Company H, I think it was, most likely, a scam. So, I've thought about whether HSBC can fairly be held responsible for reimbursing the disputed payments under the CRM Code.

Mr B has provided very little in the way of documentary evidence to support his claim for a refund. His testimony has been vague and lacking detail – and at times has been inconsistent too. He has provided some screenshots of conversations he had with a third party on an instant messaging platform, but most of these messages are either undated or dated after the disputed payments took place – and there are very little references to Company H contained within those messages.

Some of those messages *do* suggest that payments 5 and 7 were made for the purpose of investing in Company H, after which Mr B appears to have been provided with login details for an account with Company H. So, given Mr B only appears to have received an investment account with Company H after the final two disputed payments, I don't think I can safely conclude that payments 1 to 4 were also connected to Company H, given they were made approximately one month earlier.

I haven't been provided with any evidence to suggest the beneficiaries of payments 1 to 4 received Mr B's payments for a fraudulent purpose. As a result, I'm not persuaded the CRM Code definition of an APP scam has been met for those transactions.

Mr B hasn't been able to explain why he sent payments 5 and 7 to individuals and not directly to Company H. He says he just followed the instructions given to him by the person who introduced Company H to him. Many other investors in Company H had to invest in cryptocurrency. So, I can't rule out the possibility that payments 5 and 7 funded cryptocurrency purchases. And I've seen no evidence suggesting the beneficiaries of payments 5 and 7 were complicit in the scam orchestrated by Company H.

As a result, whilst the transactions may have been made as part of an overall scam, I can't say the beneficiaries of those payments received Mr B's funds for a fraudulent purpose at the time the payments were made. So, I'm not persuaded the CRM Code definition of an APP scam applies to these payments either.

Good industry practice required HSBC to be on the lookout for account activity or payments that were unusual or out of character to the extent that they might indicate a fraud risk. On spotting such a payment, I'd expect it to take steps to warn the customer about the risks of proceeding.

So, I've considered whether HSBC reasonably ought to have been concerned by Mr B's payments to the extent that it ought to have questioned him about them and, importantly, whether reasonable intervention would've prevented Mr B from going ahead with the payments. For clarity, as I'm not persuaded payments 1 to 4 were made for an illegitimate purpose, I've only considered whether HSBC reasonably could've prevented payments 5 and 7.

Payment 5 was for £4,000 and went to a new payee. When making the payment, Mr B had to select a payment purpose – and he chose the option for "*Paying Friends & Family*". HSBC provided Mr B with a scam warning, which briefly covered romance scams and impersonation scams. The warning recommended Mr B take steps to verify who he was sending the funds to.

I don't think the payment was suspicious or demonstrated a fraud risk at the time. As a result, I think HSBC's warning was proportionate and I wouldn't have expected HSBC to have spoken to Mr B about the reason for the payment. As a result, I don't think HSBC could've reasonably been expected to have prevented that payment being made.

HSBC did think payment 6 was suspicious. The payment was blocked, whilst HSBC attempted to verify the payment with Mr B. HSBC wasn't able to speak to Mr B and so the payment was cancelled.

Mr B phoned HSBC the next day to discuss the payment. Mr B explained that he was lending money to a friend, as this was more preferable than his friend taking a loan from a bank. HSBC asked some questions, to understand Mr B's relationship with the beneficiary and how he'd obtained the account details. Mr B said he'd known his friend for several years, they'd met in person, he'd received the account details via SMS and that Mr B's friend had confirmed receipt of previous payments.

It's unclear why Mr B gave inaccurate answers to HSBC's questions. However, based on the information that Mr B explained to HSBC, I don't think it ought to have identified that Mr B was potentially falling victim to an investment scam. As a result, I don't think HSBC acted incorrectly by subsequently processing the payment again in line with Mr B's instructions.

Mr B doesn't appear to have done any checks on Company H to ensure it was a legitimate investment opportunity. From the information he's provided, he simply followed the instructions of a third party, whom he says he trusted. He didn't question why he was sending payments to third parties with no apparent connection to Company H, and he says this individual was who told him to give inaccurate answers to HSBC. So, I think it's unlikely that even if HSBC had provided him with cryptocurrency investment scam warnings that these would've resonated with him to the extent that he would've decided against making the payments.

In the circumstances, I'm not persuaded HSBC reasonably could've prevented payments 5 and 7. And, as the payments weren't reported to HSBC until over three years after they were made, I don't think HSBC could've done anything to recover the funds from the beneficiary accounts, as it's highly unlikely that any of his funds remained in those accounts.

Mr B has lost a substantial amount of money, and I have natural sympathy for him. However, after considering the evidence that's available, I'm not persuaded HSBC can fairly be held responsible for refunding the disputed payments.

My final decision

For the reasons explained above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 5 March 2026.

Liam Davies
Ombudsman