

The complaint

Miss S is complaining that HSBC UK Bank Plc hasn't refunded payments she made when she fell victim to a scam.

What happened

The circumstances of the scam are known to both parties, so I won't set them out in detail here.

In short, Miss S was the victim of an impersonation scam and was tricked into buying gift cards with her HSBC debit card from two retail outlets (which are part of the same overall company) and sending the codes to the scammer. She made three payments over the course of around an hour – for £1,000 to the first retail outlet and then for £2,000.30 and £1,800 to the second retail outlet.

HSBC didn't agree to refund the payments, so Miss S brought a complaint to our service. But our Investigator didn't think HSBC should have done anything to prevent the payments. Miss S didn't agree, so her complaint has been passed to me for review and 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.

Having done so, I've reached the same outcome as the Investigator – and for much the same reasons.

When a payment is authorised, HSBC has a duty to act on the payment instruction. But, in some circumstances it should take a closer look at the circumstances of the payment. For example, if it ought to be alert to a fraud risk, because the transaction is unusual, or looks out of character or suspicious. And if so, it should intervene, for example, by contacting the customer directly, before releasing the payment. I'd expect any intervention to be proportionate to the circumstances of the payment.

But I've also kept in mind that HSBC processes high volumes of transactions each day. There is a balance for it to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

I agree with the Investigator that I wouldn't have expected HSBC to have identified a scam risk and intervened by contacting Miss S to ask about the circumstances of the payments. These payments were authorised by chip and pin, which would have provided some reassurance to HSBC. The merchant codes used for the payments were those for a grocery store or supermarket (for the first payment) and department store (for the other two payments) which wasn't inherently suspicious. I can't see that HSBC could have been aware that Miss S was purchasing gift cards from the transaction information it had at the time of the payments. So, there was nothing about the destination of the payments that indicated they could be high risk transactions. And their pattern wasn't concerning either given they

were retail payments; they were made over the space of an hour rather than in very quick succession.

It was fairly unusual for Miss S to have made this number of high-value payments in one day and I have taken this into account, but consumers do occasionally make transactions which aren't in line with their usual day to day activity, and I wouldn't necessarily expect a scam intervention from HSBC for this reason when there were no other concerning factors. Overall, I don't think HSBC should have been sufficiently concerned about the risk of financial harm to Miss S through a scam that it ought to have taken a closer look at what was happening here.

For completeness, I would add that I don't think HSBC could have done anything to recover the payments once the scam had been reported to it. There's no mechanism to recall or cancel debit card payments, even when they're in a pending state. And I can't see that there are any reasonable grounds for HSBC to have raised chargeback claims under the card scheme's rules, because there's no dispute that Miss S received the goods she'd paid for before passing the codes on to the scammer.

I'm sorry to disappoint Miss S. I know this scam has really affected her and I can understand why she'd think she should get her money back. But I've not found that HSBC ought to have done anything else to prevent the payments she made or could have done anything else to recover them once the scam had been reported. So, it wouldn't be fair or reasonable for me to direct it to refund them.

My final decision

My final decision is that I'm not upholding Miss S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 25 February 2026.

Helen Sutcliffe
Ombudsman