

The complaint

Mr R complains that HSBC UK Bank Plc ('HSBC') won't reimburse him money he says he lost to a scam.

Mr R brings his complaint with the assistance of family members. For ease of reading within this final decision, I will refer solely to Mr R, even when the submissions have been made on his behalf.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

On 17 May 2025, Mr R was contacted by phone call and messages, by individuals who threatened to release sensitive photos and videos of him unless he paid them money. Mr R says he was unknowingly recorded without his consent during a private online interaction via a known dating site, with a person he believed he was in a relationship with.

To prevent the images and video being released across his accounts online and with his University, Mr R downloaded an app for a third-party money remittance service – which I'll refer to as 'T'. He made numerous payments totalling £3,510, which were made via debit card payment with T. I'm aware Mr R attempted more payments during this time but those were unsuccessful.

Mr R reported the matter to HSBC, but it didn't refund the money he'd lost. In short, HSBC said it was unable to reimburse Mr R as he had authorised the transactions to debit his account. It directed him to contact the police. Unhappy, Mr R complained to HSBC. It issued its final response letter in July 2025, informing him that it is unable to take on blackmail cases and that the police should investigate the situation. However, it acknowledged the service was not to the level Mr R ought to have expected and credited £300 to his account on 30 July 2025.

As he remained dissatisfied, Mr R brought the matter to our service. One of our Investigator's looked into things but didn't uphold the complaint. She thought HSBC ought to have been concerned about the payments Mr R was making and thought it ought to have provided a better automated warning. However, she said that even if HSBC had provided a better warning when making the payments, she didn't think it would've made a difference. Our Investigator said given the circumstances, where Mr R was under intense emotional pressure, from being threatened/blackmailed, she wasn't persuaded better intervention would have revealed what was happening. She also didn't think a chargeback claim was likely to be successful given that Mr R sent his funds to a money remittance service who then sent the funds to the recipients Mr R specified.

Mr R didn't agree with our Investigator. He maintains what has happened is a scam and that HSBC ought to reimburse him for the money he lost. He's explained he was asking for help from his parents (whilst he was on the phone with one of the individuals), and that he stopped contact, spoke with HSBC and followed its guidance. Mr R feels this is clear

evidence he was seeking help and guidance and that with intervention, he was ready and able to listen and break away from the blackmailer's control.

Our Investigator considered Mr R's further comments, but her outcome remained unchanged. In brief, she reiterated that she thought HSBC ought to have recognised that the number of payments Mr R was making was unusual for him and should have contacted him. However, she thought this would have been to provide a better automated warning (written warning) and not a phone call due to the amount of the payments. But her view remained that this wouldn't have prevented Mr R's loss. She recognised HSBC may have given Mr R incorrect advice but said by the time Mr R contacted HSBC to report the payments as a scam; it would have been too late to have stopped the payments. This is because he'd already authorised them at the time the payments were made, which meant even if HSBC had raised the matter sooner, there wouldn't have been a chance of recovery.

Mr R didn't agree with our Investigator's view. As an agreement couldn't be reached the complaint has been passed to me for a final 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.

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 which is whether HSBC are liable to reimburse Mr R under any applicable schemes (considering the payment method used), or whether there were any failings by HSBC that meant it could have reasonably prevented his loss. 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.

From the outset I'd like to say I'm sorry to hear of the awful events that happened to Mr R. I can understand entirely why he feels so strongly that his money should be refunded and, I can see that this has been a very difficult time for him. But having thought very carefully about HSBC's actions, I don't uphold Mr R's complaint. I do appreciate how disappointing this will be for him, and I don't underestimate his strength of feeling, but I don't think I can fairly say HSBC should reimburse him. I will now explain why.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account.

It is agreed by all parties that Mr R made the debit card payments. So, it is the case that Mr R authorised the payments that are in dispute. And under the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Mr R is responsible for them. And that remains the case even though Mr R was blackmailed/scammed into making the payments.

However, taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for HSBC to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

So, the starting point here is whether the instructions given by Mr R to HSBC (either

individually or collectively) were unusual in relation to his typical account activity. Our Investigator within her view set out why she thought HSBC ought to have recognised the payments Mr R was making carried a heightened risk. I agree with our Investigator's position on this point and for largely the same reasons. Here, Mr R attempted to make over 20 debit card payments (albeit seven payments were successfully made) within a period of a couple of hours and the payments reduced Mr R's account balance to £12 in this time. So I'm persuaded HSBC ought to have identified that the payments carried a heightened risk in the circumstance of this case.

Where a firm identifies that its customer may be at risk of financial harm, I would reasonably expect it to carry out some additional checks before processing the payments. And any intervention carried out should be proportionate to the risk identified. So, that intervention may be in the form of asking some automated questions and providing a warning based on the responses and the potential risk or scam that the customer may be at risk of falling victim to, or it may be in the form of human intervention.

But, and importantly, I have to determine whether any additional checks or steps would have put a firm on notice that something might not be right, and that its customer may be at risk of financial harm or revealed what was happening. In short, in this case, I have to consider whether any intervention by HSBC would have made a difference and prevented Mr R from making the payments – thereby preventing the loss.

As I've said above, I'm persuaded that arguably some further additional checks should have been carried out. A pattern was starting to emerge – with multiple payments made in fairly quick succession – I think proportionate intervention here would have been for HSBC to have provided a better automated warning. But to my mind, given the nature of what was happening and the purpose of the payments, I don't think any intervention would have made a difference here, and I can't fairly say HSBC could have uncovered what was going on or that it could reasonably have prevented his loss.

I'm aware Mr R strongly disagrees on this point. In response to our Investigator, he's explained he was asking for help from his parents (whilst he was on the phone with one of the individuals), and that he stopped contact, spoke with HSBC and followed its guidance. Mr R feels this is clear evidence he was seeking help and guidance and that with intervention, he was ready and able to listen and break away from the blackmailer's control.

I've thought carefully about this, and while Mr R was sadly falling victim to a blackmail scam, I don't think this ought to have been apparent to HSBC from the payment instructions Mr R made. And I'm not persuaded any warning HSBC could've provided would've prevented Mr R from proceeding with the payments. I say this because, Mr R was being threatened and blackmailed and was willing to make the payments as a result – given he was fearful that the images/video would be shared across his accounts online and with his University, at the time, he perceived the threats as realistic. I'm further persuaded this was the case as when Mr R contacted his parents over messages seeking help, I can see he shared that he was being blackmailed and that he'd sent money. They told Mr R to stop, and he said he couldn't and asked them to borrow further funds to meet the demands he'd received from the individuals. I'd like to acknowledge that I understand Mr R proceeded to make payments under the genuine belief of the threat and blackmail. I'm also mindful Mr R was following the blackmailer's instructions on how to make the payments and where to make the payments to.

While my conclusions are in no way intended to cause Mr R further distress or upset, for the reasons I've explained, I don't think I can fairly say that HSBC would have been able to uncover the true purpose and reason Mr R was making the payments. And any warning HSBC would have provided therefore wouldn't have been relevant to Mr R nor would it have

made a difference to his decision making. And overall, I think Mr R would have proceeded with making the payments in any event, given he was being blackmailed.

For completeness, in Mr R's submissions to this service, he's referred to a payment one of his parents attempted to make from their own HSBC account that was stopped. It's been said this payment was less than the total amount Mr R sent here. It is important to note that I cannot comment on a payment that one of Mr R's parents made from their own account. I say that as the reasons why a bank's systems trigger will depend on the specific underlying circumstances surrounding a particular payment and account. And those circumstances are likely to be different for each payment even if, on the face of it, they appear to be similar. As such, this point doesn't alter the conclusions I have reached on the case.

Service

Following a review of Mr R's complaint, HSBC paid £300 compensation in recognition that there were service issues. I recognise the level of service Mr R received will have caused him further frustration, upset and even confusion. I am pleased to see HSBC has acknowledged the level of service was not as it should have been. Having thought about this aspect, I consider the compensation of £300 already paid to Mr R to be fair and reasonable in the circumstances and in line with what this service would award.

Chargeback

I've also considered whether HSBC could reasonably have done anything to recover Mr R's losses. The only possible option for recovery here, given the payments were made by debit card, would have been via a chargeback claim.

The chargeback process is a voluntary one – customers are not guaranteed to get money refunded, and there are strict scheme rules in place by the card schemes (e.g. Visa and Mastercard) which govern chargebacks. In general terms, the chargeback can provide a refund where a customer has bought goods or a service which isn't provided or is not what was advertised.

I've considered whether a chargeback claim had any reasonable chance of success. But I don't think it was a route for Mr R (or HSBC) to take. These were authorised debit card payments and a chargeback had no reasonable prospects of success. I say this because Mr R made the debit card payments with T and then instructed T to send the funds to the details given to him by the individuals. As such, Mr R received the service he paid for.

While I appreciate Mr R has had a devastating and traumatic experience in being blackmailed and I have a great deal of sympathy with what has happened, I'm not satisfied that HSBC are liable to reimburse him. And sadly, given the nature of what happened and the purpose of the payments being as a result of blackmail, I can't fairly say that any intervention would have made a material difference here and prevented Mr R from making the payments.

My final decision

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 R to accept or reject my decision before 13 May 2026.

Staci Rowland

Ombudsman