

The complaint

Ms C complains that HSBC UK Bank Plc won't fully refund the money she lost to a scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. Ms C says that she was the victim of a romance / investment scam. She met a third party online and a close relationship developed – Ms C describes how they were planning their future including buying a house and starting a family life together. She made a series of payments from accounts she held with HSBC which are detailed below.

| Payment Number | Date | Type of Payment | Payment Reason (if asked) | Amount |
|----------------|------------------|--|------------------------------|---------|
| 1 | 18 December 2023 | International Transfer from account ending 2196. | Paying Friends and Family. | £10,000 |
| 2 | 27 December 2023 | International Transfer from account ending 5946. | | £15,200 |
| 3 | 2 January 2024 | International Transfer from account ending 5946. | Paying Friends and Family. | £42,000 |
| 4 | 16 January 2024 | International Transfer from account ending 5946. | Paying Friends and Family. | £22,000 |
| 5 | 23 January 2024 | International Transfer from account ending 5946. | Paying Friends and Family. | £32,000 |
| 6 | 29 February 2024 | International Transfer from account ending 5946. | | £15,000 |
| 7 | 15 March 2024 | International Transfer from account ending 5946. | Paying Friends and Family. | £25,000 |
| 8 | 4 April 2024 | International Transfer from account ending 5946. | Paying for goods / services. | £50,000 |

| | | | | |
|----|--------------|---|----------------------------|---------|
| 9 | 1 May 2024 | International Transfer from account ending 5946. | | £16,000 |
| 10 | 3 May 2024 | International Transfer from account ending 5946. | | £40,000 |
| 11 | 10 June 2024 | International Transfer from account ending 5946. | | £3,000 |
| 12 | 13 July 2024 | International Transfer from account ending 5946. | Paying Friends and Family. | £5,000 |
| 13 | 25 July 2024 | Transfer to Ms C's own account with 'N' from account ending 2196. | | £10,000 |

Ms C generally moved money through her 2196 account into her 5946 account before it was sent on internationally. Ms C also says she borrowed much of the money she sent. She borrowed £20,000 from HSBC which credited her account ending 2196 on 14 January 2024. Further loans from other lenders also later credited the same account. This included £25,000 on 2 April 2024 and £25,000 on 4 April 2024. There is also evidence to support that HSBC agreed a separate loan for around £28,000 which was paid into a business account that Ms C held with them.

Ms C says that she was faced with demands for payments to release 'profits' she'd made in her investment account. She then confided in a friend who had investment experience, and she realised she'd been scammed.

Ms C reported what had happened to HSBC. HSBC said the Lending Standards Board's Contingent Reimbursement Model Code (CRM Code), which was a scheme through which victims of scams could sometimes receive reimbursement of money lost to scams through the banks involved, didn't apply. They said this was because payments to a customer's own account or international payments aren't covered by it. However, they did think they could've done more to try to protect Ms C in relation to the payments made from her account ending 5946. But they also thought Ms C didn't do enough independent research before making her payments and that she misled the bank on numerous occasions when asked about her payments. In light of this they refunded 50% of the payments made from that account. This amounted to £132,600 which I understand was credited to her account in November 2024.

Ms C was grateful for the partial refund, but she thought she should receive more than HSBC had paid. She referred her complaint to our service and one of our Investigators didn't recommend that HSBC needed to do more than they'd already done. Ms C disagrees and has asked for an Ombudsman to review her complaint.

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 overall outcome as our Investigator and for broadly similar reasons. I know this will be disappointing for Ms C, so I'll explain why.

Firstly, I accept that Ms C has been a victim of a cruel and callous scam and I don't doubt the significant impact this has had on her. But this doesn't automatically entitle her to a refund from HSBC. I agree that the CRM Code doesn't apply to the payments in dispute here which were either international or to Ms C's own account.

It isn't in dispute that Ms C instructed the payments herself (albeit as part of a scam), so the starting position is that she'll usually be responsible for payments she's made herself. But HSBC should be alert to the possibility of fraud and scams and should fairly do what they can to protect their customers from the same risks. Clearly there needs to be balance struck between stopping and checking payments and allowing customers ready access to their funds. I also think it's fair that there is a level of proportionality as to what can fairly be expected with regard to when (and to what extent) to intervene.

Payments from account ending 2196

I appreciate Ms C has said she isn't seeking the return of these payments from HSBC. But for completeness, I don't think it was unreasonable for HSBC not to do more than they did for the two payments that debited this account (payments one and 13). I don't think the payments were so unusual, suspicious or indicative of a potential issue such that more needed to be done. It also seems that N (to whom Ms C made the final payment) refunded that payment to her in any case.

Payments from account ending 5964

This account of Ms C's was a 'Global Money Account'. It is intended as an account from which customers can cheaply send international payments. Ms C says this account was opened in June 2023 and there was minimal activity on the account until the scam payments began. To some extent, infrequent international payments on an account like this wouldn't be entirely unexpected.

HSBC have already refunded 50% of payments two to 12 inclusive. So, the only way I could fairly direct them to do more is if HSBC should've intervened in the initial payment from that account, that this would've made a difference to the scam and Ms C shouldn't accept 50% responsibility for her own loss. I'm not persuaded this is the case here.

Firstly, the evidence is strong that Ms C was so close to the scammer and willing to follow the instructions she was given, that I think she always would've misled the bank (as she did on numerous occasions). Several of these are set out in the table above, with Ms C telling HSBC that her payments were for a relative's medical bills overseas, or for the purchase of furniture. I've listened to calls between Ms C and HSBC at the relevant time. HSBC gave appropriate warnings based on what Ms C was telling them her payments were for. And I don't think they reasonably would've had enough to doubt what they were being told. HSBC also specifically highlighted (during numerous calls) the importance of being truthful with them, pointing out that scammers will coach or encourage people to lie to the bank

There is also evidence that Ms C lied to several lenders about the purpose of the loans that funded her payments. So, I think this too supports that Ms C was prepared to lie to get her payments to go through and to follow the scammer's directions. This isn't a case where the payments were rushed through under immediate pressure, the scam ran for a number of months, and Ms C has described how close she was with the scammer and that they would communicate most days. So, I don't think any reasonable level of intervention that could've

been expected of HSBC would've made a difference in the first few payments from this account.

Our Investigator concluded that had HSBC invoked the banking protocol, called Ms C into branch and then have called the police, the scam would've been uncovered. I have some reservations as to whether that is how the banking protocol might have played out, given how Ms C responded to the interventions that did take place. But even if I make that assumption in Ms C's favour, then I would still make a reduction in award due to Ms C's contributory negligence.

I appreciate that scammers can be persuasive, but I agree with our Investigator that in the circumstances here, by answering in the way she did to questions asked, Ms C seriously impaired HSBC's ability to try to appropriately protect her from the scam. I understand Ms C, by her own admission, believed she was in a loving relationship, but I still think that being told to lie to banks and lenders should've been a red flag to her such that a 50% reduction in award is fair and reasonable in this case. Particularly where, as I've highlighted above, HSBC specifically warned about being told to mislead them as to the true reasons for the payments. So even if I were persuaded to uphold the complaint from the same point as our Investigator (which was the £32,000 on 23 January 2024 onwards), it wouldn't result in Ms C being in a better position. It follows that I can't fairly ask HSBC to do more than they've already done. In summary this is because I'm not persuaded all Ms C's loss (from this account) was preventable, and even if it were, I would've made a 50% reduction in award for the reasons I've set out above.

Ms C made some further points in response to our Investigator. These included that HSBC only intervened around seven times, and there were other times when they didn't. I've considered this, but I've no reason to think further interventions would've materially worked out differently to those that did take place (with Ms C misleading HSBC and the payments continuing). Ms C has also said that the pattern of multiple loans arriving into her account and then being sent out ought to have been a cause for concern. I agree that this can be a factor of potential concern that a bank ought to take note of when monitoring an account. But, I don't think there was any pattern in relation to the loans until April 2024. And I've set out above, why that even if I were to accept HSBC ought to have acted sooner than that time, it still wouldn't result in a greater award than what they have already paid. I also don't agree that by paying a partial refund, HSBC have accepted full responsibility such that they need to pay more. Ms C also says she was vulnerable at the time of the scam. But I can't see that HSBC were informed of this at the relevant time. Nor do I think it is something they ought to have ascertained themselves. And even if it were, my reasons would still stand as above as to the overall outcome here and the payment HSBC have already made.

For completeness, I also don't think there were failings in HSBC's recovery efforts which impacted Ms C's loss. International recovery is on a best endeavours basis. And where the payments weren't reported for a number of months (as is the case here) it becomes even more challenging. So, I'm not persuaded there were failings by HSBC in their recovery efforts which impacted Ms C's loss.

As I said at the start, I'm sorry to hear Ms C lost the money she did. But despite my natural sympathy for her as a victim of crime, my role requires that I remain impartial. And because I don't think HSBC can fairly be said to be responsible for more than they've already paid, there isn't a reasonable basis upon which I can require them to do more to resolve this complaint.

My final decision

For the reasons outlined 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 Ms C to accept or reject my decision before 2 February 2026.

Richard Annandale
Ombudsman