

## The complaint

Miss H complains that HSBC UK Bank Plc ('First Direct') declined to reimburse her when she says she lost over £14,000 as a result of a scam.

## What happened

I wrote to both parties earlier in December 2025, outlining my provisional thoughts on this complaint. The following is an extract from my provisional decision.

*"The circumstances of this complaint are well known to both parties, so I will not go into every detail of what happened here. But in summary, Miss H was looking for work following a redundancy, and so she uploaded her CV to various recruitment websites. She received a message on a messaging app promoting a job opportunity. It said that they had work to offer her which would involve reviewing hotels in exchange for commission. She spoke to them on the phone and researched the purported recruitment company online. Miss H decided to get involved. She completed tasks and believed that she had accrued commission. Miss H was told that she had to make several payments as deposits prior to receiving this commission. She sent over £14,000 from her First Direct account, and nearly £7,000 from an account she held with another financial firm. These were sent via an account with another firm, which I will call 'R', which she was instructed to set up in her own name.*

*She made the following payments to the account held with R within two days in November 2023:*

- £1636.71
- £1636.71
- £1636.71
- £1590
- £1590
- £1590
- £1590
- £1590
- £1590

*Unfortunately, Miss H realised she had fallen victim to a scam. She reported it to Action Fraud and First Direct, as well as the her other bank she'd sent other funds from, which refunded the losses from there in full. First Direct considered her complaint but declined to refund any of her losses. It said that it had spoken to her about one of the payments, and despite questioning her, she had not given the real reason she was making the payment. It said that she had not done proper due diligence into the recruitment company, nor had she questioned why she had to make payments in order to be paid, which is not normal business practice.*

*Unhappy with their response, Miss H escalated her concerns to our service. One of our investigators looked into what had happened, and recommended that Miss H's complaint should be upheld in part. They said that First Direct should reimburse 50% of Miss H's losses from the third payment onwards. This was because they thought that First Direct*

*ought to have intervened by the third payment of six. They thought that it should have recognised that what Miss H told them about the payment purpose, whilst detailed and inaccurate, had inconsistencies which should have put them on notice that she was at risk of fraud or financial harm. They thought that Miss H should bear some responsibility for her loss too, due to the fact she could have done more to protect herself from the scam in that she was dishonest with First Direct, and did not consider the warning signs that she was falling victim to a scam.*

*First Direct did not agree. It said that Miss H had clearly misled the bank on the reason she was making the payments, and during the calls they had with her about three of the payments she was confident and plausible, and it had clearly explained the consequences of making the payments directly. It also said that the amounts being sent were not so excessive that this would have been a warning sign.*

*Miss H said that she was vulnerable to the scam due to her physical and mental health conditions, and because she was going through a period of significant emotional and financial distress following being made redundant from her job.*

*As no agreement could be reached, the case has been passed to me to decide.*

### ***What I've provisionally 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.*

*My role here is to assess First Direct's actions against what they should have done – and having done so, I am minded to say I think it would be fair and reasonable for me to hold it liable for some of Miss H's losses here. So, having considered everything, I'm currently minded to uphold Miss H's complaint, in part.*

*There is no dispute that the transactions were 'authorised payments' even though Miss H was the victim of a sophisticated scam. She made the payments herself and under the relevant regulations, and the terms and conditions of her account, Miss H is presumed liable for the loss in the first instance.*

*But I've also taken into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time. As the payments went to an account in her own name, this did not include the CRM code. As such I think First Direct should fairly and reasonably:*

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.*
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.*
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.*

*So, I consider that as a matter of good practice, First Direct should have been on the look-out for unusual and out of character transactions. I agree with the investigator that some of the payments did appear to be unusual and out of character for the account and required*

*intervention from First Direct. I think by the third identical payment, made within around half an hour, First Direct ought to have intervened. Whilst the payments were not for particularly large amounts in the grand scheme of things, the pattern of payments should have given them cause for concern. But, in order to ask them to reimburse Mrs H anything from this point, I would have to be satisfied that an intervention would have likely prevented Miss H's loss.*

*Whilst they did not intervene then, Miss H called in after the first six of the nine payments had been put through, as she had received a text from First Direct checking she had made one of the payments. I am minded to conclude that the phone call, had they made it after the third payment, would likely have gone similarly to this call. During this call, Miss H appeared calm and confident in the call. She explained that she was making payments towards a holiday, and that they had been to the location before. She said that she was getting a better deal paying directly rather than through a booking platform. First Direct repeatedly told her of the risks of paying off-platform. She explained that they had been there for numerous years, and it was their turn to pay, but the friends they travelled with had paid this way with no problems. She confirmed she had triple checked the account details and they were correct, that they knew the owner so well that he even picked them up from the airport. First Direct told her that if something went wrong, she may lose her money. She was adamant she wanted to proceed with the payment. So, had it gone along the same lines, I would not think that First Direct acted unreasonably by processing the payment, and I do not think they could have prevented her loss to that point.*

*However, by the fifth payment, I think that First Direct ought to have been more concerned. In the call she did have later, her cover story about the holiday only applied to three payments – and I think she would have said the same if they had intervened at the third payment. The way in which she was sending money was unusual – three identical payments, followed by two identical payments by this point. In a subsequent call the following day after the final three payments had been requested, she was asked about the increased use of her account with R. She said she had used the account before, but she had increased her usage in the last week because it was easier to use to send money abroad so she was topping up her account. She confirmed that no one else was asking her to put money into the account, she had family abroad and it was free to use to get them money. She said it was also easier to make payments with R. I consider that this would likely be what she may have said if they had intervened at the fifth payment. It would seem highly unlikely that someone who simply wished to top up their account with another business would send instalments of £1,590 rather than send the full amount. I cannot imagine that she would have had a plausible cover story if she was probed on this point, and at that point I think it would have been appropriate for First Direct to further probe, or to decline to make the payment altogether. I think this would likely have prevented her loss from payment five onwards.*

#### *Should Miss H bear some responsibility for her loss?*

*In order to reach a fair and reasonable outcome, I have to think about how any liability should be split between both parties to the complaint – First Direct and Miss H. So, I have to consider what Miss H did and didn't do around the time of the payments, and whether this means she should share some liability for her loss.*

*Having done so, I agree with our investigator that it is fair and reasonable for Miss H to share the liability with First Direct. This is because I think that there were things that ought to have given her cause for concern, and prompted her to do further checks or research before making these payments. I say this because Miss H had decades of professional experience before her redundancy, so had experience of the job market. I would have expected her to question the legitimacy of a job where she provided reviews for hotels she had never visited.*

*It does appear she did so in correspondence with the scammers but continued anyway despite assurances from the scammer which were not particularly persuasive. She demonstrated that she was willing to lie to First Direct on the scammer's instructions – something a genuine business would not ask their employee to do. Miss H was being asked to pay for tasks to undertake this employment – this is not in line with how employment works at all. She also appeared to be offered the job without formal interview. I think all of this demonstrates that Miss H did not go as far as she ought to have done to protect herself from this scam.*

*I have also thought about Miss H's vulnerability at the time of the transactions. I was so sorry to read about what she has gone through. Unfortunately, I do not think that First Direct were on notice of any vulnerability, nor did she demonstrate anything that ought to have identified them in her interactions with them. So, I do not think there was any additional responsibility on it with regard to her vulnerabilities.*

*So, if nothing changes, I will ask First Direct to reimburse:*

- *50% of Miss H's losses from the fifth payment onwards;*
- *Plus 8% simple interest from the date of the loss to the date of reimbursement.*

*My provisional decision*

*If nothing changes, I uphold this complaint in part, and award the redress outline above."*

### **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.

First Direct responded to my provisional findings to say that they accepted it and would pay Miss H in line with what I had suggested in that decision. Miss H did not respond. As no further evidence or information has been submitted, I reach the same outcome as I did in my provisional decision, for the reasons I explained in it.

### **Putting things right**

In order to put things right, First Direct must:

- Reimburse 50% of Miss H's losses from the fifth payment onwards; and
- Pay 8% simple interest from the date of loss to the date of reimbursement.

### **My final decision**

I uphold this complaint in part, and require HSBC UK Bank Plc to reimburse Miss H in line with what I have outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 28 January 2026.

Katherine Jones  
**Ombudsman**