

## **The complaint**

Mrs C complains that HSBC UK Bank Plc (“HSBC”) won’t refund in full payments that were made as part of a scam.

Mrs C initially referred her complaint to the Financial Ombudsman Service through a professional representative. But she is no longer being represented. Although I’ve considered submissions made by Mrs C and her former representative, for ease, I’ll mostly refer to Mrs C throughout my decision.

## **What happened**

Mrs C fell victim to an investment scam in 2023. Between August 2023 and February 2024, she made several payments from her HSBC account in relation to this scheme. Some of the payments went to other accounts in her name with other financial businesses (for onward transfer). There were also payments to purchase cryptocurrency from legitimate providers, which was then deposited into what she understood was her investment account. As things evolved, Mrs C was led to believe that she needed to make payments in order to withdraw her investment.

HSBC intervened on multiple occasions and made enquiries of Mrs C about the payments she was making. In November 2023, the bank invoked banking protocol, and the Police became involved. Mrs C lost further funds after this time when she continued making payments to through other accounts and to different beneficiaries. HSBC received a scam claim from Mrs C at the end of 2023 – early 2024, and it refunded some of the payments under the provisions of the Contingent Reimbursement Model (CRM) Code. It declined to refund the remaining payments on the basis that they went to other accounts in Mrs C’s name. As such, they were considered ‘me2me’ payments and not lost to the scam at the point they left Mrs C’s HSBC account.

A complaint was made to HSBC in 2024 and later referred to our Service, but our Investigator didn’t uphold it. They noted that Mrs C claimed she didn’t make the disputed payments, but they were satisfied that it was fair to treat the payments as authorised. And while they thought that HSBC’s intervention could have been better at times, overall, they weren’t persuaded that it would have made any difference to Mrs C’s decision to proceed with the payments. Mrs C asked for her complaint to be reconsidered by an Ombudsman.

## **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 and the responses briefly and in my own words. No discourtesy is intended by this. Instead, I’ve focussed on what I consider to be the crux of the complaint. If there’s something I’ve not mentioned, it isn’t because I’ve ignored it. I’m satisfied I don’t need to comment on every individual point or argument to be able to reach what I think is a fair and reasonable outcome. Our rules allow me to do this, and it simply reflects the informal nature of our Service as an alternative to the courts.

The crux of Mrs C's complaint is that HSBC is continuing to hold her liable for transactions she states the scammer made, and that the bank didn't do enough to stop the payments.

It's not in dispute that Mrs C fell victim to a scam. The relevant law here is the Payment Services Regulations 2017 (PSRs). In simple terms, the starting point is that Mrs C is responsible for authorised payments, and subject to certain exceptions HSBC would generally be liable for unauthorised payments. So, I'll first address the issue of whether I think it would be fair to treat the payments as authorised.

Where evidence is incomplete or contradictory, I need to make a finding on the balance of probabilities and conclude what I think is more likely than not to have happened in light of the available evidence.

*Is it fair for HSBC to treat the payments as authorised?*

Mrs C says she didn't make the payments that are being disputed. She explains that remote access software was installed on her device. I've considered the possibility that it was the scammer who made the payments after being granted access to Mrs C's device. But I'm not persuaded that this is what happened here.

I say this because Mrs C spoke to HSBC on several occasions when the scam payments were made. During these calls, Mrs C confirmed that she'd made the payments it was asking about. Our Service has also received recordings of calls Mrs C had with another business, where some of the payments from HSBC ended. In those calls too, Mrs C confirms she made the payments from her HSBC account.

So, while I fully acknowledge that Mrs C was tricked, on balance, I think it's more likely than not that she consented to the payments being made – either by making them herself or by allowing someone else. As such, I consider it fair for HSBC to treat all the disputed payments as authorised. Therefore, under the PSRs, Mrs C would be liable in the first instance.

*Is there any other reason it would be fair for HSBC to reimburse Mrs C?*

HSBC has already reimbursed the payments it says are covered under the provisions of the CRM Code. This was a voluntary code for reimbursement of authorised push payment (APP) scams which required signatory firms to reimburse customers who had been the victims of APP scams in all but a limited number of circumstances. I'm satisfied that the CRM Code doesn't apply to the payments the bank hasn't reimbursed. This is because they were either card payment or payments to another account in Mrs C's name. Neither of these types of payments is covered under the Code. So, I can't fairly tell HSBC to refund the remaining payments on the same basis.

Outside the provisions of the CRM Code, having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, HSBC ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances. It might be fair and reasonable to hold the bank liable for losses incurred by its customer if it fails to act on information which ought reasonably to alert it to potential fraud or financial crime.

As I've mentioned above, HSBC did speak to Mrs C on multiple occasions. I won't list the details of each call here as the Investigator did this in their assessment which both parties have had sight of. I can also see that recordings of the calls were shared with Mrs C's former representative. So, I'm satisfied that the relevant information has been shared.

Like the Investigator, I think there were times when HSBC's enquiries didn't go far enough. And so, an opportunity to identify the true scam risk those particular payments posed was missed. But that isn't the end of the matter. Causation is a critical determinative factor. It isn't enough that HSBC failed to sufficiently identify a scam risk on some occasions. In order to uphold this complaint, I would also need to be satisfied that better intervention would more likely than not have positively impacted Mrs C's decision making. Having considered the available evidence, on balance, I'm not persuaded that she would have acted any differently had HSBC asked more probing questions.

This is because when the bank did ask sufficiently probing questions at other times, Mrs C wasn't forthcoming with the true nature of the payments. For instance, during one of the interventions Mrs C told the agent that she was sending money to her account with another financial business because she was going on holiday and indicated she wanted to use that account for expenses. And when the bank intervened again a week later, and it became clear that on this occasion Mrs C was purchasing cryptocurrency, she reassured the agent that there was no third-party involvement and that she'd done her own research online into the investment scheme.

HSBC did have concerns about some of Mrs C's responses and provided investment scam warnings which ought to have resonated with her circumstances. But she chose to continue with the payments. As I've said, the bank could have gone further at times. However, I can't ignore the fact that when later it did go further by invoking banking protocol and the Police got involved, it didn't stop Mrs C from continuing with the payments. The destination of the payments changed.

I fully appreciate that Mrs C was under the spell of the scammer and was manipulated into sending money. But, for the reasons I've set out above, I can't safely say that any proportionate intervention by HSBC would have stopped her making the payments. As the available information shows, even after reporting her suspicions about being scammed to HSBC, Mrs C went on to make further payments – including from other accounts. What this means is that I'm not persuaded HSBC could have done more to prevent Mrs C from making the payments.

I'm aware that during the scam period Mrs C suffered a personal bereavement. I want to offer my sincerest condolences to her on what has clearly been a difficult and upsetting time. I've carefully considered her comments about being particularly vulnerable due to the situation and this making her more susceptible to being scammed. I don't doubt what Mrs C has said about her circumstances. But I don't think it would be fair to tell HSBC to refund the remaining payments because of this. While it is the case that there's a specific provision in the CRM Code about reimbursing scam victims who were vulnerable at the time of the payments, as I've mentioned earlier, this Code doesn't apply to the payments that HSBC hasn't refunded. Because of this, I can't fairly ask it to consider reimbursing Mrs C on that basis. And while HSBC was aware of the bereavement, having listened to various intervention calls from the time, I can't fairly say that it should have picked up on Mrs C's state of mind from its interaction with her.

I've then considered whether later the bank could have done more to recover the funds when she reported the scam. Mrs C's payments from HSBC were either to send funds to an account also in her name, or to purchase cryptocurrency. As the cryptocurrency was purchased from legitimate providers, which we know was then sent on to scammers, it's highly unlikely that recovery would have been possible. As for payments sent to accounts also held in Mrs C's name, if the funds weren't sent on from there already, they'd still be in Mrs C's control. So, based on the situation described, due to the nature of what was

happening here, I don't think HSBC could or should have done more to recover the funds once the scam was reported.

In summary, I accept that Mrs C has been through a very difficult period and this complaint has been ongoing for some time. But I don't consider her loss is the result of any material failings by HSBC.

**My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 17 February 2026.

Gagandeep Singh  
**Ombudsman**