

The complaint

Mr O complains that HSBC UK Bank Plc did not reimburse the funds he says he lost to a scam.

What happened

Mr O says he found a property advertised online, which he wanted to rent. He was told he had to pay a deposit and the first month's rent to secure the property, which totalled £7,700. He sent this to the agent who I will refer to as 'X' on 31 October 2023. Despite months of chasing, Mr O says he never obtained the property and the agent eventually blocked him. He says he contacted the landlord who told him they never received his funds. It was at that point he felt he had been the victim of a scam and he contacted HSBC.

HSBC explained that as X appeared to be a genuine company that was still active, they would consider this to be a civil dispute and not a scam. Mr O referred his complaint to our service and our Investigator looked into it. They issued a view in which they agreed it was more likely this was a civil dispute and did not meet the bar of an authorised push payment scam.

Mr O responded and explained he had spoken with the real landlord who said X had no authority to advertise the property. He also advised other individuals had contacted him about falling victim to the same scam, so he felt it was clear this was not a civil dispute.

As an informal agreement could not 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.

It isn't in dispute that Mr O authorised the payment of £7,700. Because of this the starting position – in line with the Payment Services Regulations 2017 – is that he's liable for the transaction. But he says that he has been the victim of an authorised push payment (APP) scam.

HSBC has signed up to the voluntary CRM Code, which provides additional protection to scam victims. Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam (except in limited circumstances). But the CRM Code only applies if the definition of an APP scam, as set out in it, is met. I have set this definition out below:

...a transfer of funds executed across Faster Payments...where:

- (i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or*
- (ii) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.*

The CRM Code is also explicit that it doesn't apply to private civil disputes. The wording in the code is as follows:

“This Code does not apply to:

b) private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier.”

I've therefore considered whether the payment Mr O made to X falls under the scope of an APP scam as set out above. Having done so, I don't agree that it does. I'll explain why in more detail.

In order to determine if Mr O has been the victim of a scam, I have to consider if X was a legitimate supplier for services at the time Mr O made the payment, but he has not received that service.

The first thing I have considered is evidence provided by the receiving bank that X held their account with. Unfortunately, due to data protection issues, I cannot go into detail about this evidence shows, but I want to assure Mr O I have carefully reviewed everything I have been provided. Having reviewed the relevant receiving bank statements from the time Mr O made the payment, they show activity consistent with what you would expect of an agent involved in the renting of properties. And nothing I have seen indicates Mr O's funds were misappropriated or not used as intended.

Mr O has provided some screenshots of negative reviews which he says relate to X, and I have located these online. I appreciate these show individuals have had issues with X, that appear to be similar to Mr O's claims, however the reviews I have found were all written after Mr O made the payments. I also appreciate Mr O has provided a text chain with himself and an unknown individual who he says was also scammed by X for the exact same property. And while I have considered this, I also have to consider that I have no other evidence showing this individual also paid X to rent the same property but did not receive it.

I also have to consider the reliability of Mr O's testimony. From what I have seen, there has been some significant discrepancies over time. In his first phone call with HSBC, he said that the agent showed him around the property and he was happy with it, so he sent the funds. But he was later blocked by X and when he spoke with the real landlord they said they had not received his funds.

However, in the second call with HSBC a few weeks later, Mr O said he had not viewed the property in person at all. Instead he had been told to pay the rent and first month's deposit to secure the property, but his move in date kept being delayed due to refurbishment work being carried out on the property. He did not mention calling the landlord and said he never received the keys.

However, in his submission to our service, Mr O said he was given access to the property via a lockbox but he never met the agent in person. He was delayed moving in due to renovation work and later discovered X had scammed others in a similar way. He also contacted the landlord who confirmed X was a scammer.

These are three different versions of events where he was shown around by the agent, never saw the property at all and then viewed it alone with access via a lockbox. While I appreciate memories can fade, it does make it more difficult to rely on Mr O's testimony as a result.

Looking at the screenshots I have been provided, it is difficult to determine who Mr O is speaking with in each one, and it is difficult to follow the chronology. In the e-mails between Mr O and X, they explain the renovation works are ongoing and X appears to slowly stop responding. While this is concerning, it doesn't evidence that X took Mr O's funds with no intention of providing the property he paid for.

In summary, the receiving bank evidence doesn't clearly indicate a scam, the negative reviews I've seen occurred after Mr O made the payments, the correspondence I've

reviewed is difficult to follow and Mr O's testimony has changed over time making it difficult to rely on it. With all of this in mind, I've not seen enough for me to be satisfied this meets the bar of an APP scam and instead I think it was fair for HSBC to treat it as a civil dispute. I therefore do not think HSBC has made an error in the circumstances and I don't think it needs to reimburse Mr O under the CRM Code.

My final decision

I do not uphold Mr O's complaint against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 17 March 2026.

Rebecca Norris
Ombudsman