

The complaint

Mr C complains that HSBC UK Bank Plc won't refund the money he lost when he was the victim of what he feels was a scam.

What happened

In early 2022, Mr C came across an advert online for a company offering investments in artwork. He followed a link in the advert and was contacted by an advisor who explained the company would help him purchase pieces of artwork, store them for him and then sell them when the time was right to achieve the best return. Mr C then decided to invest and made a number of payments from his HSBC account, totalling £47,816, to purchase artwork.

Sometime later, Mr C says the company stopped responding to his communication. He then saw other people online having issues with the company and so felt he had been the victim of a scam and reported the payments he had made to HSBC.

HSBC didn't agree to refund the payments Mr C had made, so he referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think anything we would reasonably have expected HSBC to have done would have prevented Mr C making these payments, so didn't think it would be fair to require it to refund them. Mr C disagreed with our investigator, so the complaint has been passed to me.

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 don't think it would be fair to require HSBC to refund the payments Mr C made here. I'll explain why below.

In broad terms, the starting position at law is that banks are expected to process payments and withdrawals that a customer authorises it to make.

Mr C has questioned how the payments here were authorised, as he says he didn't enter his PIN or a passcode when they were made. But he accepts that he gave the artwork investment company his card details. And he hasn't suggested that he didn't want the payments to be made at the time, and I think it's likely he did want them to be made as he wanted to purchase the artwork. So, regardless of the exact method used, he had given the company his card details necessary to authenticate the payments, and he had consented to them. And so I think HSBC has acted reasonably in treating these payments as authorised.

The regulatory landscape, along with good industry practice, sets out requirements for banks to protect their customers from fraud and financial harm. So, in line with this, I think HSBC should have been monitoring accounts, had systems in place to look out for unusual

transactions and, in some circumstances, have carried out additional checks before processing payments.

But even if HSBC had identified that Mr C was potentially at risk of financial harm as a result of some of the payment he made here, and carried out the level of checks we would expect it to have done to address this risk, I don't think it would have uncovered significant concerns.

Mr C thought he was purchasing artwork and would make money if the artwork increased in value and he sold it for a profit. And as this is a fairly standard format of investment, I don't think this will have seemed particularly suspicious to HSBC.

The artwork investment company had been listed on the government's register of limited companies and filed accounts for some time before the payments Mr C made here. It also ran a physical gallery located in central London, which a number of investors had visited in person. So, if HSBC had looked into this, I think this will have reassured it that the company was genuine.

The communication Mr C had with the company also appeared to be relatively professional, and he received a number legitimate-looking invoices for the purchases he was making. I've also seen copies of some of the promotional material the company issued about the investment, and I think this looked relatively professional and legitimate. So, if HSBC had asked to see any paperwork associated with the investment, I don't think this would have raised any concerns either.

And so if HSBC had carried out the checks I would've expected when Mr C tried to make these payments, I think it would have been satisfied with the information it was given and I don't think anything it was told or shown would've caused it significant concern. Based on the information I would have expected it to uncover at the time, I think this would have looked like a genuine investment to HSBC. And so I wouldn't have expected it to stop Mr C making the payments.

Mr C has said that there had been complaints about the artwork investment company dating back to March 2018, and that its accounts had been frozen and it had been investigated by Trading Standards. But I wouldn't have expected HSBC to uncover this information at the time as part of its checks into the payments he was making.

And so I don't think anything I would reasonably have expected HSBC to have done in relation to these payments would have stopped Mr C making them. I therefore don't think it would be fair to require it to refund these payments he made.

Mr C has said that other banks have refunded customers who made payments to the artwork investment company. But we look at each complaint referred to us separately, on its own merits. I can't comment on whether or why other banks may have refunded other people who invested with the company and, even if they had, I don't think this would necessarily mean HSBC should be required to refund Mr C here. For the reasons I've set out above, I don't think it would be fair to require HSBC to refund these payments Mr C made.

We also expect banks to take reasonable steps to try to recover any money their customers have lost – including making use of any available chargeback scheme. So I've also considered whether HSBC did enough to try to recover the money Mr C lost.

A chargeback is a process by which card payments can be disputed with the merchant who took the payment. But the rules about the reasons why a payment can be disputed and the time limits for raising any dispute are set out in the chargeback scheme rules – which the

bank must follow. And we'd only expect a bank to carry out a chargeback where there was a reasonable chance of it being successful.

The relevant scheme rules say that the time limit for raising a chargeback in Mr C's circumstances is 120 days from the date of the payment. But the last card payment Mr C made towards the scam was in July 2022. And, from what I've seen, he didn't report the payments to HSBC until sometime in 2024 – which is more than 120 days after this last card payment. So the time limit for raising a chargeback claim had already passed when Mr C reported the payments, and so HSBC has acted reasonably in not carrying out a chargeback.

I sympathise with the position Mr C has found himself in and I appreciate that he feels he has lost a significant amount of money. I'm also in no way saying he did anything wrong or that he doesn't have a legitimate grievance against the artwork investment company. But I can only look at HSBC's responsibilities here and, for the reasons I've explained above, I don't think it would be fair to require HSBC to refund the payments he made here.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 March 2026.

Alan Millward
Ombudsman