

The complaint

Miss B complains that HSBC UK Bank Plc ('HSBC') won't refund the money she says was lost as the result of a scam.

What happened

In 2025, Miss B engaged the services of an individual I'll refer to as T. Miss B says she paid T for professional e-commerce development, business set up, management and revenue generating services. T said he worked with a company I'll call S, who would provide some of the services.

Miss B made the following payments to T in April 2025. These payments form the basis of this complaint.

Date	Details of transaction	Amount
10.4.2025	Payment to T – reference: website	£2,200
16.4.2025	Payment to T – reference: website	£1,799
19.4.2025	Payment to T – reference: T1	£369
20.4.2025	Payment to T – reference: china stock	£1,638
22.4.2025	Payment to T – reference : listing, ads	£700
23.4.2025	Payment to T – reference: china stock	£1,238
27.4.2025	Payment to T – reference: last pay website	£250

Miss B says T didn't provide the services she paid for, so she raised a scam claim with HSBC. HSBC declined to refund Miss B saying she has a civil dispute with T.

Miss B wasn't happy with HSBC's response, so she brought a complaint to our service.

An investigator looked into Miss B's complaint but didn't uphold it. The investigator agreed with HSBC that Miss B has a civil dispute with T and HSBC aren't liable for her loss. The investigator wasn't satisfied that Miss B had evidenced that T set out with the intention to defraud Miss B as some of the services she paid for were provided.

Miss B disagreed with the investigator's opinion and asked for an ombudsman to review her case. Miss B raised a number of points including:

- She didn't receive the stock she paid for.
- Some of her interactions happened over the phone and she doesn't have recordings of those calls to provide as evidence.
- She continued making payments as she was misled into believing legitimate work was being carried out.
- While some online accounts were opened, this was not the full service that she paid for.

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.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

In broad terms, the starting position at law is that HSBC are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

The Faster Payment Scheme Reimbursement Rules ("Reimbursement Rules") came into force on 7 October 2024 and apply to all UK-based Payment Service Providers (PSPs). They put a requirement on firms to reimburse APP scam payments made via the Faster Payments Scheme, in all but very limited circumstances.

The Reimbursement Rules set out the requirements for a payment to be covered. Of relevance here:

- It must have been made as part of an APP scam (whether to a recipient or for a purpose other than the payer intended).

An APP scam is further defined as where fraudulent deception was used to obtain the funds where:

- The recipient is not who the Consumer intended to pay, or
- The payment is not for the purpose the Consumer intended

The Rules also specify that private civil disputes are not covered and define a civil dispute as:

"A dispute between a Consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty."

It also includes an example of when this might apply and says "...such as where a customer has paid a legitimate supplier for goods or services but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier."

Miss B was making payments to T in exchange for business services. Based on the evidence, I'm satisfied that Miss B's payments went to the intended recipient – T.

So, I've gone on to consider whether the purpose T had for receiving the payments aligned with the purpose Miss B had in making the payments.

While we have messages between Miss B and T, as well as S, we don't have a contract or confirmation of exactly what T and Miss B agreed to. But it's clear there was an agreement for T to set up online accounts that Miss B could use to sell products. And the references on two of the payments, as well as the messages, also suggest that Miss B paid T for goods that he would source from China.

I understand that Miss B may not have received some of the goods and services she paid for, and she's dissatisfied with the work that was completed - but that doesn't necessarily mean that she was the victim of a scam. Especially as T opened some accounts for her online with social media providers and online stores so she could sell products, and she received some stock.

If T had set out with the intention to defraud Miss B, I wouldn't have expected him to have provided the services he did, or for him to have refunded £1,500 nearly three months after Miss B made her last payment.

Miss B says this refund relates to a request for the developer to prioritise her work, but that doesn't mirror the references on the additional payments – which total £1,100. Three of these payments have a reference of “trademark” and two have a reference of “help”. The two payments referencing “help” only total £420, which is significantly less than the amount T refunded of £1,500. Also, Miss B didn't raise the payments with the reference of “trademark” as part of her complaint.

I'm also conscious that there could be a genuine reason why the work wasn't completed and the additional goods weren't received. And I'm concerned that it's not clear exactly what Miss B paid for versus what she received.

I'm really sorry to hear of the distress Miss B has been caused due to the loss of these funds, but I'm not satisfied that she has shown that T took her funds with a different purpose in mind or through dishonest deception. So, I'm not satisfied that she meets the definition of an APP scam and her payments aren't covered by the Reimbursement Rules.

On that basis, I can fairly hold HSBC liable or ask them to refund Miss B.

My final decision

My final decision is that I don't uphold this complaint against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 18 May 2026.

Lisa Lowe
Ombudsman