

The complaint

Mr I complains HSBC UK Bank Plc unfairly added his details to a fraud database.

What happened

Mr I received a payment into his account and it was then reported as fraudulent. HSBC contacted Mr I about the payment and he said it was money lent to him, by a friend, to pay for a plane ticket.

HSBC closed Mr I's account and Mr I complained to HSBC. HSBC responded to say it blocked then closed Mr I's account and loaded his details to a fraud database.

HSBC said it couldn't see an error had been made so it wouldn't be removing the marker.

Unhappy with this response Mr I brought his complaint to this service. Mr I said he'd sent someone £8,000 so they could carry out repair work on his business property. Mr I said the money was also for a visa fee for the person he paid.

Mr I said the work wasn't carried out, so the person repaid Mr I in instalments. It was one of these instalments reported as fraud.

An investigator looked into things but didn't think Mr I's complaint should be upheld. The investigator said they had nothing from Mr I to persuade them the payment he received was a legitimate one or he was entitled to the money.

The investigator said Mr I had given various reasons for the payment and none of them had any evidence to back them up. The investigator didn't think HSBC needed to remove the fraud database marker.

Mr I didn't agree with this outcome and repeated the reasons for receiving the money were his business property repair, a payment related to a car and plane tickets. Mr I suggested repaying the £500 in return for reopening his account.

Mr I said he had more to add, but hasn't sent anything further in.

Since no agreement could be reached Mr I's complaint was passed to me to decide.

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.

For HSBC to fairly add a fraud database marker it needs to show the money Mr I received

was fraudulent, and Mr I knew, or should have known it was fraudulent.

HSBC has sent this service the fraud report it received from the sender's bank, and I'm satisfied the person sending the money reported this as a fraudulent payment.

The sender said they were paying the money to Mr I for a visa application.

Mr I's said he paid the person sending the money £8,000 for repairs on his business premises. But Mr I's sent nothing to show this payment was made.

And Mr I told HSBC he received the money as a loan for plane tickets.

Mr I's then told our investigator the payment was in regards to a car.

Mr I sent in some phone messages, none of which give any background to the payment, what it's for or why the sender sent it. I can also see Mr I or the sender's deleted several of the messages, which doesn't help support what Mr I's said.

Mr I's sent nothing to show any plan for the work carried out his business property, no agreement, no invoices, nothing to show this was a business related payment.

Mr I's sent in plane tickets but nothing to show how he paid for them.

When Mr I received the money into his HSBC account he doesn't seem to have used this money for a plane ticket.

I can see from Mr I's bank statement he received £2,100 the following day, from other people, and this wasn't used for a plane ticket either.

I'm unsure what Mr I did with the fraudulent money he received, but I'm not persuaded it was used for any of the reasons Mr I says it was.

Without anything to support Mr I's explanation of the money it's difficult for me to say Mr I was entitled to the money he received. And since I don't think Mr I was entitled to this money, I think Mr I should have known the payment wasn't legitimate.

This means I think HSBC has shown enough evidence to say Mr I received fraudulent money, wasn't entitled to it and should have known he wasn't entitled to it.

Because of this I think HSBC has met the levels of proof needed to load Mr I's details to a fraud database. And because of this, I won't be asking HSBC to remove the fraud database loading it applied.

And since I think HSBC fairly loaded Mr I's details to a fraud database it also acted fairly in closing Mr I's account, I think HSBC fairly assessed Mr I as a risk.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 12 May 2026.

Chris Russ
Ombudsman