

The complaint

Miss B, in her capacity as a director, complains on behalf of a limited company 'S' that HSBC UK Bank Plc (as the recipient bank) didn't do enough to prevent the loss it suffered when it was the victim of a 'safe account' scam.

For ease of reading, I'll mostly refer to Miss B herself where I also mean her company, S.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. In September 2024, Miss B was the victim of a safe account scam.

She was contacted by phone from someone purporting to be from her bank. The caller highlighted a pending payment on her account and Miss B confirmed this wasn't her. The caller then seemed to be able to have that payment reversed and also sent Miss B a text message which appeared in the same thread as previous messages from her bank. Miss B was initially tricked into authorising a card payment from her account. She was told her accounts were at risk and that money needed to be moved to a safe account.

The scammer then told her that other accounts on her device were also impacted. This resulted in Miss B instructing two payments from another limited company she was able to make payments for (these are the subject of a separate complaint with our service). The payments were for £20,000 and £800 and took place at 7.29pm and 7.34pm respectively on 24 September 2024. They both arrived in an account held by a third party 'C' and provided by HSBC. Miss B had been told that this was a temporary account name to hide the funds, and that it would be changed back later. Miss B then made a further transfer (which is the one relevant to this complaint) to the HSBC account from S' account for £3,450 at 7.43pm.

Miss B says that the scammer then took out a loan for £40,000 which was paid into another account she held with a different bank 'B'. He then tried to persuade her to also move this money on. Miss B became suspicious, ended the call and reported what had happened. A complaint was raised with HSBC who didn't agree they'd done anything wrong. The matter was referred to our service. And as I was considering other complaints linked to the same circumstances, it was appropriate for me to also review this complaint. In March 2026 I issued a provisional decision in which I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Firstly, I accept that Miss B was the victim of a cruel and callous scammer. But, that doesn't automatically entitle her to a refund from HSBC. HSBC were a signatory to the Lending Standards Board's Contingent Reimbursement Model (CRM Code), as was the bank where S held its account from which a payment was sent to the HSBC account. As such, the CRM Code is potentially a relevant consideration for this complaint. But part of the CRM code at R2(2) says "In assessing whether a Customer should be reimbursed or not, Firms should consider a) whether the acts or omissions of Firms involved in trying to meet the Standards

for Firms may have impeded the Customer's ability to avoid falling victim to the APP scam." So, in essence, even if HSBC have failed in the standards expected of them, consideration still needs to be given to whether this would've impacted Miss B being a victim of the scam. I'm also aware that S' own bank has agreed to refund Miss B with 50% of the £3,450.

The account that received the payments was opened in August 2024. I've seen evidence that HSBC took a valid government issued identity document when opening the account. And that they conducted their usual checks when doing so. In light of this, I don't think there were any failures linked to the opening of the account which can be said to be the cause of Miss B's loss.

HSBC should monitor the accounts they provide with a view to preventing them from being used in connection with financial crime. Prior to the arrival of the £20,000 that Miss B sent, there weren't any payments of significant value made into or from the account and certainly nothing I'd have expected HSBC to have had concerns about. The account itself was a business account and the arrival of the scam payments from Miss B were in line with the expected turnover based on the information HSBC gathered during the account opening process. It also isn't particularly unusual for a newly opened bank account to receive an influx of funds in its first few weeks of operation. So again, I don't think there was anything suspicious about the incoming payments that I'd have expected HSBC to have intervened in.

Soon after the arrival of the scam funds, there were outgoing payments made from the account. There were two outgoing transfers to an existing payee. One for £5,000 which took place at 7.34pm and the second one was for £10 at 9.28pm. I'm also aware of two debit card payments that posted to the account statement on 26 September 2024, these were for £9,780 and £9,450 respectively. There has been some conflicting information from HSBC as to the times of these payments. I'm aware from previous cases I've dealt with from HSBC that debit card payments often take a couple of days to post to an account statement. But once they are authorised, those funds are effectively spent, and the payments can't be cancelled. Given I also accept this was a scam and it's very common for scammers to try to quickly move the funds on, I think it's more likely than not that the two debit card payments were made on the evening of 24 September 2024 around the same time as the outgoing transfers. I also find it more likely than not that (based on screenshots of HSBC's systems that I've seen), that the £9,780 payment was made prior to the £9,450 payment and that both of these took place after the £5,000 transfer. If HSBC is able to provide more precise information with regards to the payment timings, I'd welcome its inclusion in their response to my provisional decision.

So, at some point on the evening of 24 September 2024, HSBC would've been presented with a relatively recently opened business bank account that had received almost £25,000. There had then been a transfer out of £5,000 and a card payment for £9,780. So upon the instruction to make the second debit card payment of £9,450 this would've represented nearly all the money received being sent out, (most likely) in the space of only a few hours.

I think this ought to have given HSBC cause for concern, primarily at this point that their own customer might've been at risk of financial harm. But the incoming payments appeared to be intended for the named accountholder (as Miss B had been tricked into putting 'C' down as the recipient). And this, combined with the fact that the transfers were to an existing payee and the card payments were to merchants that could plausibly be linked to the nature of the accountholders business means I don't think HSBC should've concluded that the account was being misused or that they would've had a basis upon which to refuse to make the second debit card payment. So I don't think there have been any failures by HSBC which impacted the loss suffered by Miss B.

HSBC were first on notice of the problem with payments received into this account shortly

after midnight on 25 September 2024. However, they didn't block the account until shortly after 9.00am that day. I'd expect a major international bank like HSBC to have acted sooner than they did. But even if HSBC had acted promptly to block the account, the only payment that wouldn't have left the account was a transfer for £5 that took place a few minutes before the account blocks were put in place. The account had a balance of under £10 at the point at which HSBC were notified of the scam. There was a further small credit into the account from an unrelated party on 25 September 2024. Taking these factors into consideration, I don't think HSBC would've responded differently about the availability of funds for recovery if the amount that remained had been greater.

It's reasonably common practice for a bank to say there are no funds to return in instances like this when only a nominal amount remains. In this case, had HSBC done all they should, at best, around £15 would've remained with up to four parties potentially having a claim to those funds. In this particular case, I don't think it was unreasonable for HSBC to say that no funds remained to be recovered. And I can't therefore say that their failure to block the account promptly has made a difference to the position Miss B now finds herself in. As I said at the start, I'm sorry Miss B has suffered the loss she has as a result of the criminal actions of others. But as I don't think this is something HSBC can be said to be responsible for (or that further reimbursement is due under the CRM Code), there isn't a reasonable basis upon which I can require them to do more to resolve this complaint."

HSBC didn't respond to my provisional decision. Miss B provided a response on a linked complaint about HSBC expressing her disappointment with the outcome. She also asked for some further information and clarity around timings of payments and the actions of HSBC. This was provided and nothing further was then received prior to the response deadline.

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 understand Miss B's disappointment with the outcome. But without a causal link between any failures by HSBC and her loss, I can't fairly and reasonably require them to do more or make a direction as she'd like. And having considered the further submissions, nothing has persuaded me to deviate from the outcome explained in my provisional decision.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 15 April 2026.

Richard Annandale
Ombudsman