

The complaint and background

Miss M complains HSBC UK Bank Plc won't reimburse £900 that she lost when she fell victim to a police impersonation scam.

Our investigator didn't uphold the complaint. She didn't think the two payments looked suspicious such that HSBC ought to have made additional checks before processing them.

Miss M disagreed. In summary she said:

- Whilst she understands the payments were authorised by her, she was placed under significant pressure and fear. She genuinely believed she was cooperating with a legitimate law enforcement investigation.
- She did not agree the transactions were ordinary or carried no heightened risk. The combination of funds coming into her account to be immediately spent on large purchases, is widely recognised as a potential fraud indicator.
- Another bank refunded her under the same circumstances.

Our investigator maintained she wasn't satisfied HSBC ought to have done more here. As an informal agreement couldn't be reached, the case has since been 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.

Having done so, I agree with the investigator's conclusions for the following reasons:

- It isn't in dispute that Miss M authorised the transactions in question. Even when that might have occurred in the circumstances she faced, she is presumed liable for the loss in the first instance. However, HSBC is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to be good industry practice at the time, that it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.
- Whilst I acknowledge Miss M's comments about the swift movement of monies in and out of an account can be a potential fraud indicator, it can also be genuine banking activity when customers operate more than one account – which Miss M has in this case.
- Miss M's account history shows that she would regularly remit funds in and out of the account quickly – often in the same day. And having reviewed Miss M's account and the payments made as a result of the scam, their values, the merchants to whom they were paid to, I'm not persuaded HSBC ought to have found any of the two payments suspicious, such that it ought to have made enquiries of Miss M before processing them.
- I'm not persuaded there were any prospects of HSBC successfully recovering the payments through chargeback, given the payments were used to purchase gift cards from legitimate merchants.

Miss M has undoubtedly been the victim of a cruel scam. And although she's advised that another bank has refunded her other payments lost to the scam, I'm considering the individual merits of her case here brought against HSBC. In doing so, I don't find there were any failings on HSBC's part that would lead me to uphold this complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 19 May 2026.

Mark O'Connor
Ombudsman