

The complaint

Mr C complains HSBC UK Bank Plc won't refund the money he lost to a scam.

What happened

The background to this complaint is familiar to both parties, so I won't set it out in detail here.

In summary, Mr C was re-locating overseas with his family. He arranged to rent a property he had found on a legitimate property portal. Mr C says he carried out checks on the agent he was dealing with and was satisfied he was licenced and worked for a legitimate business.

Having carried out these checks Mr C paid a holding fee of 2,000 AED (approximately £410) on 10 May 2025 from his HSBC Global Money account, to secure a three-month rental starting on 3 July 2025. Mr C made the payment to an account held in the name of the agent, not the business he understood the agent was working for.

Mr C was then provided with official looking documentation confirming the rental agreement. Mr C then made three payments to cover the rent for the property of 13,999 AED (approximately £2,870) on 23 May, 17 June and 4 July 2025. In total Mr C paid over £9,000 to the agent.

Mr C has explained that when he arrived on 3 July 2025, he was told that the property had been sold and he was offered a different property. Mr C and his family moved into the offered property.

Mr C says he realised he had been scammed when the genuine property manager visited him on 16 July 2025, and said Mr C and his family needed to leave the property as the 'agent' Mr C had dealt with had not paid the rent on the property beyond 21 July 2025. Mr C then discovered that the scammer had been impersonating a legitimate property business, using its license, contracts and branding without its knowledge.

Mr C took the matter to court and has provided this service with evidence to show that he won his case against the scammer. Unfortunately, despite this he was unable to recover the money he had paid to the scammer.

Mr C has explained that this matter caused enormous strain on his family both emotionally and financially. He says he feels HSBC should have done more to protect him from the scam and should have provided appropriate warnings. The only warning he received was '*Please check all the details before confirming. Once you've sent the money, you cannot get it back*'.

HSBC did not uphold Mr C's complaint. It said, the transactions did not appear out-of-line with the way Mr C had previously operated his account and there was nothing that indicated Mr C was falling victim to a scam. It noted Mr C had reported the scam to it on 6 August 2025. It said that although the transactions weren't covered under any reimbursement scheme it had attempted to recover the funds but the recovery attempts had not been successful.

Mr C was not satisfied with HSBC's response and referred the matter to this service. Our investigator said they accepted that the payments had been made as the result of a scam. But, having looked into what happened, they didn't think HSBC could reasonably have been expected to prevent it.

Mr C did not accept our investigator's view. He said, in summary, '*...that the combination of a new international beneficiary, escalating values, and repeated payments should reasonably have prompted further scrutiny. This is particularly relevant given that international payments are widely recognised as carrying increased fraud risk.*'

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.

The details of this complaint are well known to both parties. So, if there's a submission I have not addressed; it isn't because I've ignored the point. It's simply because my findings focus on what I consider to be the central issues in this complaint; whether HSBC is responsible for Mr C's loss.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, I agree HSBC ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

HSBC said that it was of the view that the transactions were not out-of-line with the way Mr C had previously operated his account. As our investigator noted, the payments were made from Mr C's Global Money account, a multi-currency account that allows customers to hold, manage, and send funds in multiple currencies without paying HSBC exchange fees.

I note Mr C has said he feels HSBC should have intervened with a tailored risk warning as the payments were being made internationally. I have very carefully considered this point. I appreciate payments made internationally do have a higher risk, however the transfers were made from Mr C's Global Money account – an account specifically designed to facilitate payments to and from overseas accounts so I don't think this, in itself, should have led HSBC to have particular concerns about the payments.

I have also considered whether the payments looked out-of-line with the way Mr C had previously operated the account. As our investigator noted, the initial payment would not have necessarily caused HSBC any concerns, although it was to a new payee, it was not a high value payment and was not out-of-line with previous payments Mr C had made from this account. In view of this, I don't think HSBC acted incorrectly when it didn't provide a tailored risk warning for the payment.

Mr C then went on to make three payments all for the same amount, 13,999 AED (approximately £2,870 each) to the same payee. Mr C says that he feels these payments made on 23 May, 17 June and 4 July 2025 should have prompted further scrutiny by HSBC as the value of the payment had increased significantly from the first payment he had made to the payee, and there was a repeating pattern to the payments.

It is not in dispute that these payments were for a higher value than previous payments Mr C had made from his Global Money account. But I must also take into account that the payments linked to this scam did not increase in frequency. There was a gap of over two weeks between the first and second payment and then a gap of over four weeks before the third payment was made and another gap of nearly three weeks before the fourth payment

was made. A red flag for fraudulent activity that banks are alert to is a pattern of payments increasing in value and/or frequency. This wasn't the case here.

Having carefully considered this matter, I think it's arguable whether the transactions ought to have been considered unusual by HSBC. Whilst making a payment to a new payee is a factor HSBC ought to have considered as part of its general fraud observations, what I can't ignore here is that the initial payment to this new payee was for AED 2,000 (approximately £410). This meant that when the next payment of 13,999 AED was made over two weeks later, it was no longer being made to a 'new' payee. Whilst this is a tactic often employed by scammers, when considering Mr C's overall account history, it was not significantly out-of-line with the way he had previously operated the account.

In any event, even if I did consider that HSBC ought to have intervened, I'm not satisfied this would have prevented Mr C's loss. I'll explain why.

I've carefully considered the available evidence provided by Mr C. From Mr C's responses, it's evident that he took steps to satisfy himself of the legitimacy of the property portal and the agent he was dealing with. Mr C has explained that prior to making the payment, he carried out checks to establish that the agent he was dealing with was legitimate and that all the paperwork matched that of a legitimate property agent. Mr C says he only paid the holding fee of 2,000 AED after he had made these checks. Mr C has also noted that he then received a tenancy contract with the company seal, signed, and 'presented as legally valid'. Only then did he go on to pay the three instalments of 13,999 AED each, over a period of six weeks.

Overall, whilst I have carefully considered Mr C's response to our investigator's findings, I don't think an intervention by HSBC would have made any difference here. At the time Mr C made the first payment he had no reason to suspect he might be being scammed. He then received what appeared to be a formal legal rental agreement before he made the subsequent payments.

As Mr C has acknowledged, there was nothing to suggest something might be amiss until, at the earliest 3 July 2025, when he was told the property had been sold. Even then, as an alternative property was offered to Mr C, he was not aware that he had been scammed until 16 July 2025 when the real property agent told him the rent had only been paid up to 21 July 2025.

In view of this, even if HSBC had provided a tailored warning to Mr C at the time he made the payments, I cannot safely find it would have alerted him to the fact that he might be falling victim to a scam as the sophisticated nature of the scam meant it was only uncovered nearly two weeks after Mr C had made the final payment to the scammer.

Whilst Mr C has undoubtedly been the victim of a cruel scam, I can only uphold his complaint if I'm satisfied any failings on HSBC's part made a material difference to what happened. For the reasons given, I'm not persuaded it would have.

I do understand that this is not the decision Mr C was hoping for and I am very sorry to hear of the impact this matter has had upon Mr C and his family.

Recovery

I've also looked at the steps HSBC took, once it was aware the payments were the result of fraud. The payments were sent internationally, therefore recovery attempts are done on a best endeavours basis. Mr C notified HSBC that he had been scammed several weeks after the final payment was made. It promptly issued two recall requests, unfortunately these were

unsuccessful. I can't reasonably say HSBC should have done more to try to recover Mr C's money.

My final decision

For the reasons I have set out above, I do not 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 22 May 2026.

Suzannah Stuart
Ombudsman