

The complaint

Mr R complains about HSBC UK Bank Plc.

He says that HSBC should refund him when he was the victim of a scam.

What happened

Mr R unfortunately fell victim to an investment scam he found on social media. He was tricked into sending £250 on 14 August 2024 to an individual who claimed that he was affiliated with the investment.

He made a complaint to HSBC about what happened, but it didn't uphold his complaint, so it was brought to this Service.

Our Investigator looked into things but didn't think that Mr R's complaint should be upheld. Mr R asked for an Ombudsman to make a final decision, so the complaint has been passed to me.

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 have decided not to uphold this complaint. I know this will be disappointing for Mr R, so I'll explain why.

It isn't in dispute that Mr R authorised the payment of £250. Because of this the starting position – in line with the Payment Services Regulations 2017 – is that he's liable for the transaction. But Mr R says that he has been the victim of an authorised push payment (APP) scam.

In broad terms, the starting position in law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. However, where the customer made the payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payment.

HSBC was a signatory of the Lending Standards Board's Contingent Reimbursement Model (the CRM Code) which took effect on 28 May 2019 until it was retired on 7 October 2024. The Code required firms to reimburse customers who had been the victims of certain types of scams, in all but a limited number of circumstances.

Is Mr R entitled to reimbursement under the CRM Code?

Generally, there are two exceptions to reimbursement under the CRM Code (there are other exceptions, but these do not apply here)

- Mr R ignored an 'Effective Warning'
- Mr R made the payment L without a reasonable basis for belief that they were for genuine goods/services; and/or the investment was legitimate.

I don't find that HSBC was required to provide Mr R with an effective warning while he was making the payment. It wasn't for a large amount, or otherwise suspicious, and banks can't be expected to intervene in every payment a customer makes.

I've therefore considered if HSBC can fairly rely on the second exception to reimbursement – that Mr R didn't have a reasonable basis for belief that the investment was a genuine opportunity.

Having done so – I am satisfied that HSBC can fairly rely on this exception and I don't find that Mr R had a reasonable basis for believing the investment was genuine for the reasons set out below:

- Mr R found the opportunity for the investment via social media. This is not a reputable source for financial advice or investments. I know Mr R disagrees with this, however, given the prevalence of fake information on social media, I still do not find that this is a credible way to find an investment.
- Mr R says that after meeting on social media, he moved to a messaging app, he says that in this chat, testimonials from others and documentation appearing to be contracts were shared. Mr R says that he no longer has access to these – so I am unable to verify what was said – but in any event, I think that there was enough going on that should have caused Mr R concern.
- Mr R has been able to share some screen shots of a partial conversation. Although this is not a full picture of what was discussed, the language used is not professional and appears to put time pressure on Mr R to make the investment. Mr R appears to have replied to a social media 'story' querying the offer presented and asks if it is for 'gold signals'. The answer is 'Yeah bro – offer expires in 1 minute tho' He then sends the funds.
- Mr R says that he was told that the investment promised a guaranteed 50% return. This is too good to be true, and should have been a red flag to Mr R.
- Mr R says that he researched the business he thought he was investing in online and looked them up on Companies House – but I don't think that the presence of the business on Companies House alone is enough to say that this was a legitimate opportunity. No accounts were ever filed, and it doesn't appear the company had any funds. It was subsequently dissolved.
- The funds were sent to a personal account, not a business – which would be unusual for an investment.

I am also satisfied that HSBC attempted to recover the funds on Mr R's behalf, but it was unable to do so as the funds had already been moved on, so there was nothing left to recover.

I am sorry that Mr R has lost his money, but I do not find that HSBC needs to refund him under the CRM Code.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 28 April 2026.

Claire Pugh
Ombudsman