

## **The complaint**

Mr M complains about HSBC UK Bank Plc.

He says that he was scammed by a car dealership and that HSBC didn't do enough to protect him.

## **What happened**

Mr M purchased a car from H, a car dealership in April 2023.

Mr M test drove the car and had some concerns; however, he was told that the deposit he had paid was non-refundable and decided to proceed with the purchase.

Mr M says that he then discovered some further issues with the car. He says that he has been scammed by H and would like HSBC to reimburse him.

HSBC say that an authorised push payment (APP) scam hadn't taken place and Mr M is in a civil dispute with the seller, H.

It said this because Mr M paid for a car and received one - but he wasn't happy with the car he got which he considers to be defective.

Our investigator considered the matter. He concluded HSBC had correctly said this situation was outside of the scope of the Contingent Reimbursement Model (CRM) and agreed this was a dispute between Mr M and the seller, H.

Mr M didn't agree with this and 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.

In doing so I have taken into account relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider having been good industry practice at the relevant time.

Having done so, I have decided not to uphold this complaint for broadly the same reasons as our Investigator. I know that this will be disappointing for Mr M, so I'll explain why.

There's no dispute here that Mr M authorised the payment to H. Under the relevant legislation, that means he's liable for this payment at first instance. However, HSBC was under a range of other duties and obligations at the time.

Broadly summarised, it was expected to be on the lookout for payments that were unusual or out of character with the aim of preventing customers from falling victim to fraud and scams.

It's also a signatory to the Lending Standards Board's Contingent Reimbursement Model ("CRM") Code. In certain circumstances, that code can entitle a customer to be reimbursed by the bank after they've fallen victim to a scam.

However, before I consider whether any of those obligations come into play, I must first consider whether Mr M is a victim of a fraud or scam. The CRM code is explicit that it doesn't apply to "private civil disputes, such as where a customer has paid a legitimate supplier for goods, services ... but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier."

So, the CRM Code doesn't apply unless it can reasonably be established that there was the intent to defraud the customer from the outset and that the high bar required for criminal fraud would likely be met.

I understand that Mr M is dissatisfied with the car he has purchased, and that he is disappointed - but my role is to consider if HSBC should have done more, and in deciding this I need to decide whether, on the balance of probabilities, the seller of the car deceived him for financial gain.

In this instance, Mr M has received a vehicle that he is not happy with, and he says requires repairs – however, I am not persuaded that faults with a vehicle occurring after Mr M purchased it can be tantamount to fraud. And while I know that Mr M has concerns about paperwork relating to the car, I'm not persuaded this shows evidence of a scam either.

This isn't to say that Mr M does not have a legitimate grievance with the business in question – he may wish to pursue other avenues in resolving his issue. However, I am not persuaded that HSBC are required to refund him the money he has paid for the car.

It follows that I don't uphold this complaint.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 March 2024.

Claire Pugh  
**Ombudsman**