

## **The complaint**

Miss V complains that HSBC UK Bank Plc did not refund a series of payments she lost to a scam.

## **What happened**

Miss V was contacted by an individual I'll call 'X' on a job-related website. She began a relationship with X, and he introduced her to an investment scheme they could use to grow their wealth in order to elope. Miss V used her HSBC account to make a number of transfers to a third-party account she had set up, which she had control over. She then forwarded this to the investment opportunity. After time, she stopped receiving communication from the investment company and those X had introduced her to and she eventually realised she had been the victim of a scam. She made the following payments:

- 20/04/2021 - £20.00
- 20/04/2021 - £1,300.00
- 20/04/2021 - £30.00
- 20/04/2021 - £20.00
- 20/04/2021 - £50.00
- 20/04/2021 - £100.00
- 25/04/2021 – £1,800.00
- 25/04/2021 - £10.00
- 30/04/2021 - £215.00
- 06/05/2021 – £1,800.00
- 06/05/2021 - £890.00
- 07/05/2021 – £1,700.00
- 07/05/2021 - £100.00

Miss V raised a scam claim with HSBC who explained they could not recover the funds, as they went to an account that she had control over. And as the loss did not occur at her HSBC account, they did not agree that they needed to look into the scam claim.

Miss V referred the complaint to our service and our Investigator looked into it. They explained that they did not think the payments were so unusual when compared to Miss V's usual account activity that HSBC should reasonably have intervened prior to them being processed. So they did not agree that HSBC needed to reimburse her.

Miss V disagreed with the outcome and asked for a further review. As an informal agreement could not be reached the complaint has been passed to me for a final decision.

## **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 for largely the same reasons, and I don't direct HSBC to reimburse Miss V in this case. I'll explain why I more detail.

Having reviewed the communication between Miss V and X where she discusses the investments, I'm satisfied she has been the victim of an investment scam.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Broadly speaking, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account. And a customer will then be responsible for the transactions that they have authorised.

It's not in dispute here that Miss V authorised the payments in question, as she believed they were part of a legitimate investment. So, while I recognise that she didn't intend the money to go to scammers, the starting position in law is that HSBC was obliged to follow Miss V's instruction and process the payment. Because of this, she is not automatically entitled to a refund.

The regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. So, I've also thought about whether HSBC did enough to try to keep Miss V's account safe.

I've reviewed Miss V's statements and compared the scam payments to the genuine account activity, to see if they were suspicious in comparison. Having done so, I don't think they were so unusual to have warranted intervention from HSBC prior to them being processed. Miss V had made transfers of similar amounts in the months leading up to the scam, and the pattern of the payments were also similar to genuine activity on the account. For example, there was often a credit of a similar amount into the account, followed by a transfer out. On balance, I don't think the values or the pattern of the payments were so unusual that HSBC should reasonably have intervened to make additional checks prior to processing them. So, I don't think HSBC missed an opportunity to reveal the scam.

As the funds went to an account Miss V had control over and were then forwarded to the scammer, HSBC was unable to recall the funds from the scammer. So I don't think they have made an error when they did not recover the funds.

### **My final decision**

I do not uphold Miss V's complaint against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss V to accept or reject my decision before 5 April 2024.

Rebecca Norris  
**Ombudsman**