

## **The complaint**

Miss K complains that HSBC UK Bank Plc (“HSBC”) hasn’t protected her from losing money she paid to one of HSBC’s customers as a result of fraud.

## **What happened**

The background to this complaint is well known to both parties, so I won’t repeat everything here. In brief summary, Miss K has explained that in November 2023, as a result of a scam, she made payments totalling around £8,000 to a third-party bank account held with HSBC.

Miss K subsequently realised she’d been scammed and complained to HSBC. HSBC didn’t reimburse her lost funds, and Miss K referred her complaint about HSBC to us. As our Investigator couldn’t resolve the matter informally, the case has been passed to me for a 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’ve decided to not uphold this complaint for materially the same reasons as our Investigator.

I’m sorry to hear Miss K has been the victim of a scam. I sympathise. But ultimately Miss K has suffered her loss because of fraudsters. I can’t reasonably ask HSBC to reimburse losses that resulted from the criminal actions of third parties unless its acts or omissions unfairly resulted in Miss K’s loss. So what I have to decide is whether or not HSBC reasonably did enough to prevent, or respond to, the alleged authorised push payment (APP) fraud.

HSBC has shared relevant information with this service in confidence to allow us to discharge our investigatory functions and has provided that which is necessary for the determination of this complaint. But I’m also limited to how much of this I can share for the same reasons as HSBC. But I’d like to assure Miss K I’ve carefully reviewed everything before reaching my decision.

I appreciate Miss K may feel HSBC should refund her loss as it allowed a fraudster to open and operate an account. But an account later found to have been utilised to misappropriate funds doesn’t automatically entitle the payer (victim) to a refund nor does it mean that the recipient bank unreasonably failed to prevent the loss. What I need to consider is whether at the time of opening the account HSBC ought reasonably to have known that the account being opened would later be used fraudulently. And in the circumstances of this complaint, I’m satisfied in terms of account opening procedures, checks and due diligence, HSBC’s actions were not the cause of Miss K’s loss. So I’m satisfied HSBC didn’t unreasonably miss an opportunity to prevent Miss K’s loss when opening the account.

I've also considered whether there was anything prior to when HSBC was notified Miss K had been scammed that ought to have alerted HSBC to the possibility of fraud. But I'm not persuaded from what I've seen that there was account activity that was sufficiently suspicious such that I could fairly say HSBC unreasonably missed an opportunity to prevent Miss K's loss here either.

I'm also satisfied that Miss K's funds were spent from the recipient account before Miss K notified HSBC she'd been scammed. So I can't say HSBC's acts or omissions were the cause of Miss K's funds not being recoverable from the account.

I understand Miss K will be disappointed, and I've taken on board everything she's said. However, for the reasons I've explained, I don't think HSBC unreasonably missed an opportunity to either prevent the fraud or to have recovered the funds. So I don't uphold this complaint.

### **My final decision**

For the reasons explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 13 January 2025.

Neil Bridge  
**Ombudsman**