

## **The complaint**

Mr A complains that HSBC UK Bank Plc didn't do enough to prevent the loss he suffered when he sent money to one of their customers as the result of a scam.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here. In 2022 Mr A was sadly the victim of a scam. He sent around £2,300 from his account with his own bank (which is based outside the UK) to an account held with HSBC.

At the time Mr A believed he was making a legitimate payment to secure a booking for some accommodation. But he later learned he'd been scammed. With the assistance of his daughter Mr A later contacted HSBC through social media to complain. He didn't think they'd done enough to prevent his loss.

HSBC responded and said that Mr A should raise this through his own bank and gave referral rights to our service. Being unhappy with this response, Mr A referred his complaint to us. One of our Investigators didn't recommend the complaint should be upheld. In summary she didn't think there were any failures by HSBC which caused or contributed to Mr A's loss.

Mr A disagrees and has asked for an Ombudsman to review his complaint.

## **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.

I can see Mr A feels strongly that HSBC should refund his loss and feels it's unfair that the bank is unwilling to do so. But I want to be clear that unwittingly falling victim to a scam doesn't entitle the victim (here Mr A) to a refund from the bank that received their money. In these circumstances I could only direct HSBC to reimburse Mr A for his loss if I'm satisfied they did something wrong where it would be fair and reasonable to ask them to provide a refund.

When considering complaints of this nature, I can understand why, with the benefit of hindsight, it's sometimes easy to say the recipient bank ought to have identified the activity on the account as fraud and should've done more to prevent the loss, or they could've done more to assist in the recovery of the funds upon receipt of notification of fraud. However, I must be clear, when deciding this complaint, I need to think about what HSBC knew at the time – not what is known today. And where it is supposed (as is the case here) that HSBC didn't do enough. My role is to look into the individual circumstances of the case and decide (within my jurisdiction to consider this complaint), based on what I have seen, whether they should have fairly and reasonably done more.

With the above in mind, I'm satisfied HSBC carried out appropriate checks to verify the identity of the recipient accountholder (in line with its regulatory obligations) when opening the account. So, it follows that I don't think there is any reason, based on the opening of the account, to ask HSBC to do more here.

I've reviewed the account statements prior to Mr A's payment arriving and following it leaving the account. I don't think there have been any failings by HSBC regarding the monitoring of the recipient account, so I can't say it missed an opportunity to prevent Mr A's loss in this way either.

I'm also satisfied that HSBC responded appropriately when they received notification of fraud from Mr A. It is standard industry practice for claims to be made by the sending bank on behalf of their customer. This is in part to mitigate the risk of malicious claims (which is not something I'm suggesting has happened here). So, I can't say HSBC were wrong to refer Mr A back to his own bank in the first instance.

Unfortunately, by the time HSBC had been told that Mr A's payment had been made as a result of a scam, Mr A's funds had already left the recipient account (in fact these were spent very soon after arriving). So I don't think there were any failings that prevented Mr A recovering his money.

Overall, I'm sorry to hear Mr A lost so much money to a scam. But as I don't think (within the scope of my jurisdiction) that HSBC did anything that caused the loss or hindered its recovery, I'm not going to tell them to do anything further to resolve this complaint.

### **My final decision**

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 30 October 2023.

Richard Annandale  
**Ombudsman**