

The complaint

Company H complains that HSBC UK Bank Plc (“HSBC”) won’t refund £25,000 it lost to a bank impersonation scam in September 2022.

Mr H has brought this complaint on behalf of Company H as its director, so I will refer mainly to him throughout this decision as the complainant for ease of reference.

The details of this complaint are well known to both parties, so I won’t repeat everything again here. Instead, I will focus on giving the reasons for my 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 conclusions reached by the investigator for the following reasons:

- Mr H submits that HSBC should refund a payment of £25,000 he made to his Revolut account (where the funds were subsequently transferred on to the scammer) as he thought he was speaking to HSBC and was transferring money to a safe account.
- I appreciate that Mr H does not consider he authorised the payment as he thinks the scammer hacked into H’s HSBC account, as they knew of certain transactions that had been made by the company. It’s not clear how the scammer would’ve known this information, although there’s no evidence to suggest that a third party was able to access H’s online banking on the date the disputed payment was made. But in any event, even if the scammer *did* somehow gain access to H’s account, it was still Mr H that made the payments. He told our service that *“after much persuasion, involving calls back from a HSBC phone number...they persuaded me to move money out of my HSBC account into my Revolut account”*. I appreciate he had been tricked into doing so under the guise of keeping his money safe, but the fact is that the disputed payments were not made by anyone else, they were made by him. So, on that basis, they would still be considered ‘authorised’ under the Payment Service Regulations 2017.
- The payment was requested by Mr H using his company’s legitimate security credentials provided by HSBC, and the starting position is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed. However, I’ve considered whether HSBC should have done more to prevent Mr H from falling victim to the scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character.
- I appreciate that Mr H made a payment of £25,000, which is a significant amount of money. But given it was being paid from a commercial account that regularly made and received large payments, it would not have appeared particularly unusual or out of character when compared with H’s previous account activity. Indeed, I can see that

payments as large as £30,000 had been made from H's account around four months prior to the scam, and Mr H also regularly made payments to his own accounts. So, I don't consider the £25,000 payment ought to have been regarded as suspicious or indicating that H might have been at risk of financial harm, as it wouldn't have represented a significant deviation from the sort of payments made from the account in the past.

- As a result, I'm not persuaded there was anything that ought reasonably to have triggered HSBC's fraud monitoring systems here, or that would have indicated H was in the process of being scammed.
- I also don't think there was anything more HSBC could've done to recover the money either. There would've been no prospect of recovering anything from the receiving account, given we know the money was paid to an account in Mr H's own name, where it had already been transferred on again to the scammer by the time the fraud had been reported.

I appreciate this will likely come as a disappointment to Mr H, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded HSBC can fairly or reasonably be held liable for H's loss in these circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Company H to accept or reject my decision before 1 February 2024.

Jack Ferris
Ombudsman