Channel Islands Financial Ombudsman

Ombudsman Decision
CIFO Reference Number: 24-000359
Complainant: Miss T Respondent:
HSBC Bank Plc, Jersey Branch

The Complainant, who I shall refer to as Miss T, complains that when she was the victim of a fraud, HSBC refused to refund the £200 payment that she transferred from her account.

Background

On 23 December 2023 Miss T responded to a Facebook advertisement for the sale of a PlayStation 5 and a bed. She then transferred £200 to the account of the advertiser through internet banking as partial payment for the PlayStation and so that the advertiser would hold the bed pending a viewing by her. She then tried to contact the advertiser to arrange to meet later the same day. When she did not get a response, she suspected she had been the victim of a fraud and contacted HSBC.

HSBC said it attempted to recover the funds at the time the fraud was reported but the beneficiary bank confirmed that no funds remained in the account and HSBC refused to refund the money lost.

Miss T complained to HSBC but her complaint was not upheld. Miss T did not accept this and raised a complaint with CIFO. She said the bank had taken four months to respond to her complaint and had failed to provide her with updates.

The adjudicator said that HSBC had made the transfer in accordance with her instructions. She said the bank had no reason to query the payment nor did it have any knowledge at the time of the payment that there was any potential for it to be a fraud. As such, she did not recommend that the complaint be upheld.

Miss T remained unhappy and requested her complaint be referred to me for a Final Decision.

Miss T submitted that HSBC should establish if the money was withdrawn from the beneficiary bank in cash or transferred on to another account and, if the latter, HSBC should retrieve the money from the receiving bank. She referred to another situation some years previously in which HSBC had been able to recover the transfer and refund the money to her.

CIFO made enquiry with HSBC on this point and HSBC said it was "*not aware of how this was moved (cash/another transfer). This information is not something normally disclosed generally.*"

Findings

I have considered all the available evidence and arguments to decide what is, in my opinion, fair and reasonable in the individual circumstances of this complaint. Where necessary or appropriate, I reach my conclusions on the balance of probabilities; that is, what I consider is most likely to have happened, in light of the evidence that is available and the wider surrounding circumstances.

Miss T said that the advert and profile looked genuine, there were lots of photos and the advertiser said she was moving from Jersey so selling items including the PlayStation and a king-size bed. At the request of the advertiser, Miss T made a part-payment to hold the items for viewing later that day. The transfer of £200 was made at 08.13 on 23 December 2023.

HSBC told CIFO that Miss T made the payment without taking reasonable steps to ensure its legitimacy in that she did not verify or view the goods, she failed to conduct research into the seller or goods, and proceeded despite the price being unusually low and inconsistent with market value for the goods. It therefore considered the loss to be the result of customer negligence and carelessness.

A bank's responsibility is to complete its customer's payment instructions unless there are reasons to raise a query. Miss T instructed and authorised the payment. She intended to make the transaction. The bank had no information at the time the payment was made to indicate there was any potential for it to be a fraud.

CIFO looked at Miss T's bank statements for the twelve months prior to the transfer and noted that, whilst most payments out were for small amounts, a payment of £200 was not out-of-character.

As such, I find that HSBC did not have any cause to query or stop the payment authorised by Miss T.

I have then looked at what HSBC did to try and recover the amount sent.

Miss T contacted HSBC to report her suspicions at 09.10. HSBC did not raise a recall until 07.47 the following day. However, the beneficiary bank has confirmed to HSBC that the funds were exited from the account at 08.18 on 23 December, that is before the report of fraud was made to HSBC by Miss T. Therefore I must conclude that a faster recall by HSBC once informed of the fraud by Miss T would not have been successful.

As regards Miss T's request that HSBC obtain details of whether the money was transferred to another account and to follow up with such other bank, I am not of the view that it is reasonable to expect HSBC to do so, nor do I think it is likely that the beneficiary bank would respond favourably to such a request given client confidentiality and applicable data protection regulations. Even if it did, HSBC does not have the power under payment system rules to obtain a funds recall or repayment from the ultimate recipient bank.

Insofar as the time taken by HSBC to respond to Miss T's complaint is concerned, CIFO has seen that the beneficiary bank confirmed to HSBC that no funds remained in the beneficiary account on 28 December 2023. However, HSBC's fraud investigation department did not write to her until 15 April 2024.

I am of the view that HSBC ought to have contacted Miss T on or shortly after 28 December to advise her that no funds had been recovered but, the funds recovery issue was not the only one that HSBC had to consider in response to Miss T's complaint. The time taken to deliver the bank's final decision was not inherently unreasonable under the circumstances.

In all the circumstances of this complaint, I agree with the adjudicator's recommendation.

Final Decision

My final decision is I do not uphold this complaint.

Douglas Melville
Principal Ombudsman and Chief Executive

Date: 4 July 2025