



PAYMENT SCAMS

The Financial Dispute Resolution Centre from time to time receives and handles scam cases. Processing of these scam cases could on some occasions be challenging when customers themselves authorize payments under deception (payment scams).

PROPOSED FRAMEWORK FOR HANDLING PAYMENT SCAMS

In response to the problem of payment scams, the Hong Kong Monetary Authority (HKMA) on 26 September 2025 commenced a consultation with retail banks on a proposed framework for handling claims for losses arising from authorized payment scams.

While the proposed framework is at the time of writing not publicly available, a [feature article](#) of the HKMA of 26 September 2025 outlines the key principles of the proposal.

The proposed framework under consultation seeks to assess both the effectiveness of banks' monitoring systems and the degree of responsibility customers should bear. It would also consider relevant factors such as the actual circumstances of each case and the customer's background (for example, whether the customer is elderly). The HKMA asks to avoid the binary or one-size-fits-all thinking by expecting either the bank or the customer to be fully responsible for the losses.

According to the HKMA, there is no international consensus on responsibility for scam losses, with different jurisdictions adopting varying approaches. Some put most of the burden on customers, others require banks to share losses, and some impose fines for inadequate scam prevention. The HKMA states that it will consult banks on the proposed framework during the consultation process.

“MONEY SAFE” PROTECTION AND OPTION OF DISABLING INTERNET BANKING PLATFORMS

Apart from the above proposal, the HKMA last December introduced a new security feature called “Money Safe” (MS) against fraud and scam cases. This feature allows customers to shield a portion of their bank deposits from fund outflows, with the release of these protected funds only possible after a verification process with the bank. The HKMA requires all authorized institutions to provide MS protection to retail banking individual customers and encourages the authorized institutions to consider similar protections for other types of clients, such as those in private banking, based on their needs.

In addition to MS, the HKMA addresses another common fraud and scam scenario: customers being manipulated into setting up Internet banking or mobile banking, which is then exploited by fraudsters. To counter this, the authorized institutions must offer customers the option to disable the setup of Internet banking platforms for their accounts, with any changes to this setting also requiring a verification process. This measure, however, does not apply to digital banks.

Other measures to give customers more control, viz. the ability to deactivate online registration of third-party payees and to prevent increases in online fund transfer limits, are said to be in the pipeline.

According to a Government’s [press release of 23 June 2025](#), all retail banks will fully implement “Money Safe” by the end of this year.

Information on Money Safe could be found in

- (a) [A letter from the HKMA of 30 December 2024](#); and
- (b) [The Requirements on “Money Safe” Protection](#) (as an annex to the above letter)

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