

## **The complaint**

Mr A complains HSBC UK Bank Plc trading as first direct didn't do enough to protect him when he fell victim to a job scam.

## **What happened**

Mr A has an account with first direct.

Mr A was contacted out of the blue in February 2023 through a well-known app with a job offer. He says he was interested in finding out more and that the job involved rating apps. He says part of the job required him to send money to a well-known cryptocurrency exchange.

Mr A says he called first direct to ask whether it would be better to transfer money to the cryptocurrency exchange he was going to deal with via transfer or debit card. He says first direct told him that it was safer to use his debit card as he'd have more protection. Mr A says first direct didn't warn him that he might be falling for a scam despite knowing the exchange he was dealing with.

Mr A says the amounts he had to send started off small and then got bigger. He says he became concerned after he was asked to transfer £3,000 and at that stage he called first direct again. He did so because he wanted to get his money out of the cryptocurrency exchange and was anxious.

Mr A says that when he spoke to first direct the second time he was told that there were lots of scams associated with the exchange he was dealing with. Mr A ultimately complained that first direct hadn't warned him about this earlier. He said he wouldn't have fallen for the scam had first direct done so.

First direct looked into Mr A's claim and complaint and said that it wouldn't be able to refund him. Mr A complained to our service.

One of our investigators looked at Mr A's complaint, asked for call recordings between Mr A and first direct on 5 March 2023 and having listened to them said that they didn't think first direct had done anything wrong. Mr A was unhappy with our investigator's recommendation saying that he was complaining about the calls he had with first direct in February 2023 – at the beginning of the scam – rather than the calls on 5 March 2023 which was after he had already realised he'd been scammed. So, he asked for his complaint to be referred to an ombudsman for a decision. His complaint was, as a result, passed to me.

## **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'm satisfied that Mr A was targeted by a scammer operating what's known as a job scam. In his case the scam involved rating apps – and being paid for doing so – which required Mr A as part of the process to purchase cryptocurrency and send that cryptocurrency to the

scammer's wallet. The scam involved Mr A sending small payments to begin with, seeing a return and then sending larger and larger amounts which he wouldn't have been able to recover had he carried on. Fortunately, Mr A spotted that he was being scammed early on – at which point the scammer still had £2,000's worth of his money. In some of the calls I've listened to I've heard Mr A say he'd realised that he'd lost money and it was all his fault, his stupidity and he put it down to experience. I can understand why Mr A might feel that way, but in fact he's been targeted by a clever scam and, if anything, was more alert than many people who fall for these types of scams are. That's in part why he didn't lose as much money as many people do.

Had first direct not spoken to Mr A about the best way to transfer money to the cryptocurrency exchange he was dealing with, I agree with our investigator that the payments Mr A was making to the cryptocurrency exchange were too small to be considered unusual, particularly taking Mr A's normal usage into account. And the fact that they were to a cryptocurrency exchange wouldn't have been enough in itself either. In other words, it wouldn't be fair to say that first direct missed an opportunity to prevent Mr A losing money. So, does the fact that Mr A spoke to first direct at the beginning make a difference? I don't think it does, and I'll explain why.

I accept that Mr A called first direct on 26 February 2023 to find out whether he'd be better off making transfers to the cryptocurrency exchange he was dealing with via transfer or debit card. First direct said that he'd have more protection if he used a debit card, and that's right. Had there been a problem sending the money to the exchange, Mr A would have been able to raise a chargeback because he'd used a debit card. But this doesn't mean he'd have more protection once he moved the money from the exchange. And that's when things went wrong for Mr A. I can see why Mr A would have liked first direct – with hindsight – to have said more about scams at this point. And I can see that first direct spent a lot of time explaining scams to Mr A after he'd already worked out he'd been scammed. And why that would have been frustrating for Mr A. But I wouldn't necessarily have expected first direct to do so given the nature of Mr A's enquiry. At that stage I don't think Mr A would have had any concerns about what he was doing either – he explains to first direct that a family member has been dealing in cryptocurrency for almost a year without having any problems.

Given everything I've said, I agree that in this case first direct hasn't missed an opportunity to prevent Mr A making a loss. So, I'm not going to uphold this complaint.

I can see why Mr A is disappointed with first direct – it spent a lot of time explaining scams to him after he'd worked out already that he'd been scammed. To be fair to first direct, some of what it said was aimed at helping Mr A avoid scams in the future. But that doesn't take away from his obvious irritation.

### **My final decision**

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 13 March 2024.

Nicolas Atkinson  
**Ombudsman**