

The complaint

Mr A complains that HSBC UK Bank Plc (“HSBC”) won’t refund £4,690 he lost to an employment scam in March 2023.

What happened

The details of this complaint are well known to both parties, so I won’t repeat everything again here.

In brief summary, Mr A fell victim to a job-task scam after he was contacted by a recruiter (“the scammer”) offering a remote employment opportunity. He was told he would have to log in everyday and complete two tasks, for which he would be paid \$500USD every five days. However, Mr A was told that he would need to temporarily top up his work account with his own money whenever it fell into deficit following completion of a task, which he could do by sending cryptocurrency via Binance.

He was instructed to open a crypto wallet with Binance and made the following payments to purchase and send cryptocurrency whenever his job account fell into deficit:

Date	Payee	Payment method	Amount
31/03/2023	Binance	Debit card	£20
03/04/2023	Binance	Debit card	£40
04/04/2023	Binance	Debit card	£330
04/04/2023	Binance	Debit card	£1,000
04/04/2023	Binance	Debit card	£1,800
05/04/2023	Binance	Debit card	£1,500
		Total:	£4,690

Mr A later realised he had been scammed and asked HSBC to consider refunding the money he lost. However, it said it wouldn’t reimburse the payments as he had authorised them. Mr A thought that HSBC should have done more to protect him from the scam so he referred the matter to this service.

Our investigator upheld the complaint. She thought HSBC ought to have intervened from the £1,800 payment he made on 4 April 2023. Had it done so, she thought the scam would have been revealed and any further loss prevented. The investigator therefore recommended that HSBC refund the money Mr A lost from this point onwards, albeit with a deduction of 50% in recognition of Mr A’s own contribution towards his loss.

HSBC agreed to settle the complaint on this basis and paid the settlement in line with the investigator's recommendations. But Mr A disagreed, as he didn't think it was fair that his compensation was being reduced by 50%. As he didn't agree, the matter has been escalated to me to determine.

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 as I'm satisfied the settlement HSBC has since paid to Mr A is fair for the following reasons:

- It isn't in dispute that Mr A has fallen victim to a scam here, nor that he authorised the payments he made to his Binance wallet using his HSBC debit card. The payments were requested by him using his 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, as the investigator has explained, 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'm satisfied that there was not enough cause for HSBC to be concerned about the payments Mr A was making prior to the £1,800 payment he made on 4 April 2023. The amounts were not unusual, and neither would they be considered a significant deviation from Mr A's normal level of spending. I appreciate they were identifiably going to a cryptocurrency platform, which carries its own heightened risk of fraud. But as I've explained, the first four payments were low in value, so there wouldn't have been reasonable cause for HSBC to think that Mr A was at risk of financial harm.
- However, by the time he came to make the payment of £1,800, this was then the third payment made to the same merchant in the same day. Payments like this made in quick succession can often be indicative of fraud, and HSBC has accepted that it ought to have questioned Mr A about this payment before processing it. It has also accepted that it would've likely revealed the scam and prevented any further loss if it had intervened, so I don't consider it necessary to explore this point any further given it's no longer in dispute. I'm therefore satisfied HSBC is liable to refund payments five and six listed in the table above.
- What remains in dispute in this case is whether Mr A should share responsibility for his loss, which I've thought about carefully. In doing so, I've considered what the law says about contributory negligence, as well as what I consider to be fair and reasonable in all of the circumstances of this complaint.
- I can see Mr A was told that the tasks were very simple and could be completed in one hour, for which he would receive an income of \$500USD every five days. I think this level of remuneration ought to have seemed highly unrealistic for very quick and simple tasks. I note that Mr A also told HSBC that it had not been explained to him why a negative balance kept appearing on his account, but was just told that it was part of the terms and conditions that he would need to pay his own money to bring the account back into surplus in order to be paid. This ought reasonably to have given Mr A significant cause for concern, yet he continued to make payments despite not fully understanding the reason why. Mr A also doesn't appear to have a contract of employment with the company he thought he was working for. Mr A says he saw positive reviews about the company on Trustpilot, but I'm not satisfied this was enough for him to be sure that his

job was legitimate.

- Based on all of these factors, I'm satisfied Mr A should reasonably have been concerned by the repeated and seemingly unexpected requests for him to make increasingly large payments as part of his job. But it doesn't appear that he made reasonable enquiries into the legitimacy of his employment or what he was being asked to do. So, I think Mr A did have a role to play in what happened and I think that the amount HSBC should pay to him in compensation should fairly and reasonably be reduced to reflect that role. Given how serious I think Mr A's concerns about the legitimacy of his employment ought reasonably to have been, I think that a fair deduction is 50%.

Putting things right

In line with my findings above, I would have directed HSBC to:

- Refund 50% of the final two payments listed in the payment table above (totalling £1,650).
- Pay 8% simple interest per year on this amount from the date of loss until the date of settlement.

However, I'm aware that HSBC has already settled the complaint in line with this direction following the investigator's recommendations. As a result, it does not need to take any further action in response to this decision.

My final decision

For the reasons given above, I uphold this complaint. But as I've already explained, HSBC does not need to take any further action given it has already paid the settlement to Mr A.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 27 December 2023.

Jack Ferris
Ombudsman