

The complaint

Miss V complains that HSBC UK Bank Plc have failed to refund £1,900 she says she lost to an investment scam.

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 our Investigator for these reasons:

- It isn't in dispute that Miss V authorised the disputed payments she made to two legitimate crypto exchanges (which I'll refer to as 'C' and 'S'). The first payment for £400 on 30 November 2022 was made by bank transfer and the second payment for £1,500 on 1 December 2022 was made via her visa debit card. Neither payment was flagged by HSBC as suspicious. The funds were subsequently transferred on to the scammers from Miss V's crypto wallet.
- The payments were requested by Miss V using her legitimate security credentials provided by HSBC. In line with the Payment Services Regulations 2017, consumers are liable for payments they authorise. HSBC is expected to process authorised payment instructions without undue delay.
- However, I've considered whether HSBC should have done more to prevent Miss V 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 overall, Miss V has lost £1,900 which is a significant amount of money. But this amount wasn't paid in one large or 'out of character' transaction. It was spread over two separate smaller increments which, in my judgement, would not have appeared particularly unusual or out of character when compared with Miss V's spending history.
- The first payment of £400 was very much in line with similar payments made from Miss V's account in the previous twelve months. It was also made to an account in her own name with a legitimate company ('C').
- I also don't believe that the second payment for £1,500 was *sufficiently* unusual to have alerted HSBC to the possibility of a fraud or scam. While this is larger than other payments made on Miss V's account in the previous twelve months, it's not an unusually large amount in more general terms. And I must bear in mind that it's not uncommon for people to make large one-off payments from time to time to a new beneficiary in a normal operating bank account. In addition, the payment was made to a genuine company ('S') for the legitimate purchase of crypto.

- So, having considered the payments Miss V made to 'C' and 'S', I'm not persuaded there was anything unusual or out of character that ought reasonably to have triggered HSBC's fraud monitoring systems, or that would have indicated she was in the process of being scammed.
- I also agree with our Investigator that given the circumstances of the payments, there was unfortunately no prospect of HSBC being able to recover the funds on Miss V's behalf.

I appreciate this will likely come as a disappointment to Miss V, and I'm sorry to hear she has been the victim of a cruel scam. However, in the circumstances of this complaint, I do not consider it would be fair and reasonable to hold HSBC responsible for her loss.

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 Miss V to accept or reject my decision **before 29 February 2024**.

Anna Jackson
Ombudsman