

The complaint

Mr H is unhappy that HSBC UK Bank Plc won't refund money he lost as a result of a scam.

What happened

Mr H was the victim of a job scam by a fraudulent company that I'll refer to as 'S'. He was told he'd earn commission for completing tasks – and he'd be able to withdraw what he earned after completing a set number of tasks. Some of these tasks required him to deposit his own money to clear the negative balance on his account with 'S'.

To credit his account with S, he was told to deposit money on a cryptocurrency exchange. From there, the money was exchanged and sent to a wallet address that Mr H was told was for his account with S – this was, in fact, the fraudsters' wallet.

Mr H said he'd realised he'd been scammed when he couldn't access his earnings and S became unresponsive. He subsequently disputed the following payments with HSBC as part of the scam:

Payment number	Date	Description	Amount
1	23 August 2023	Card Payment to 'SECRET METHODS-SEC'	£26.40
2	4 September 2023	Card Payment to 'WWW.BYBIT.COM'	£25.00
3	5 September 2023	Card Payment to 'WWW.BYBIT.COM'	£1,300.00
4	6 September 2023	Card Payment to 'WWW.BYBIT.COM'	£1,296.00
5	8 September 2023	Card Payment to 'WWW.BYBIT.COM'	£10.00
5	2 October 2023	Card Payment to 'WWW.BYBIT.COM'	£900.00
6	13 October 2023	Card Payment to 'transak.com'	£1,000.00
7	13 October 2023	Card Payment to 'transak.com'	£25.00
8	23 November 2023	Card Payment to 'transak.com'	£1,700.00

HSBC didn't refund him and declined his subsequent complaint. It said a chargeback claim wouldn't have been successful, as he authorised payments to a legitimate cryptocurrency platform and the funds were lost from this point to the fraudsters. Still unhappy, Mr H brought his concern to us to investigate.

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've reached the same outcome as our investigator for these reasons:

- The starting position in law is that Mr H is responsible for payments he made. And that HSBC has a duty to make the payments he tells it to.
- But, as supported by the terms of the account, that doesn't preclude HSBC from making fraud checks before making a payment. And, taking into account regulatory expectations and good industry practice, I'm satisfied that it should fairly and reasonably have done this in some circumstances.
- In this case, I'm not persuaded the disputed payments appeared so uncharacteristic that HSBC ought to have suspected he was falling victim to a scam. I've considered:
 - The payments were spread out over three months, with no more than one payment happening on a single day.
 - Taken with the frequency of the payments, I'm not persuaded that the values of them – both individually and cumulatively over three months – looked particularly suspicious either. Although, of course, I recognise this was still a lot for Mr H to lose.
 - The payments didn't seem to follow a particular pattern that matched known fraud trends at the time – for example, they didn't increase in value or frequency over time.
 - Mr H's account was relatively new – so there wasn't a lot of spending for HSBC to compare this to in order to say it looked unusual.
 - I accept that payments towards cryptocurrency carry an elevated risk of fraud. But that doesn't mean that *all* payments of this nature are suspicious – after all, lots of payments that look like these will be legitimate. And given the other factors I've described here, I don't think the nature of the merchant is enough to say the payments looked significantly uncharacteristic or risky.
 - Mr H said he was a victim of a scam before – it seems involving payments from another bank. But as I've said, this was a relatively new account, and I've not seen evidence to suggest that HSBC knew he was particularly vulnerable to scams.
- It follows that I don't consider it remiss that HSBC processed the payments in line with the instructions without completing further checks. Afterall, it must balance protecting Mr H from fraud with its corresponding duty to make the payments he tells it to in a timely manner.
- As well as considering whether HSBC ought reasonably to have done more to prevent Mr H's losses, I've considered whether it ought to have done more to recover them. I don't think chargeback claims could've helped Mr H. This is a voluntary scheme run by Mr H's card issuer that can refund payments in specific circumstances. But I don't think any of those applied here. That's because most of the payments went to a legitimate cryptocurrency exchange, and the funds were lost from that point. I noted Mr H's first payment could've gone to a different sort of merchant. But given that I've not been given the details of this and how it was involved in the scam, I'm not persuaded a chargeback claim would've been successful for this either.
- I do appreciate how disappointing this will be for Mr H, who has clearly fallen victim to a horrible scam at a financially vulnerable time. But for the reasons I've explained, I

don't think his losses can be attributed to something HSBC did wrong. So I don't uphold his complaint.

My final decision

For the reasons I've explained, I don't uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 20 February 2025.

Emma Szkolar
Ombudsman