

The complaint

Mrs L and Mr L complain that HSBC UK Plc won't refund all the money they lost to an investment scam.

As most of the correspondence has come from Mrs L, for ease of reading, I'll refer to her alone in this decision.

The details of this complaint are well known to both parties, so I won't repeat everything again here. Instead, I'll 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 the investigator for the following reasons:

- It isn't in dispute that Mrs L authorised two payments of £1,000 on 26 September 2019 and £3,125 on 7 October 2019 from her HSBC account to a cryptocurrency exchange. This was to fund what she believed was a legitimate investment opportunity with a company I'll call 'B'. The payments were requested by her using her legitimate security credentials, and the starting point is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- However, I've considered whether HSBC should have done more to identify that Mrs L could be falling victim to a scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly unusual and out of character.
- Having considered the disputed payments, I don't think they were particularly unusual or suspicious in appearance. They were made to a legitimate company and even though they were larger payments than Mrs L commonly made, I don't think it's unusual that customers sometimes make one-off larger payments. They weren't made in quick succession, there was sufficient time and space between them and I don't think HSBC would have concluded an unusual pattern of spend was emerging. I don't think HSBC would reasonably have suspected that Mrs L could falling victim to a scam and so I don't think they missed an opportunity to prevent her loss.
- As the payments were made via debit card, HSBC's only option to recover them would have been via the chargeback scheme. I've noted HSBC didn't pursue chargeback claims and I don't think this was unreasonable. Mrs L didn't pay B directly and the cryptocurrency exchange she did pay would have provided the services to her as described. She was purchasing crypto and received this, albeit the crypto was later stolen by B. Had HSBC attempted a chargeback claim, it's likely this

would have been defended. I therefore don't find that HSBC acted unreasonably by choosing not to pursue chargeback claims on Mrs L's behalf.

- HSBC paid Mrs L a total of £200 compensation for how its branch manager handled things, our investigator suggested that it pay an additional £50. I agree the additional compensation is warranted here. Mrs L experienced delays, had to chase the branch manager several times and this would have been distressing at a time where she was trying to recover money she'd lost as the result of a scam.

I appreciate my outcome will come as a disappointment to Mrs L and I'm very sorry to see she's lost money to cruel scammers. I don't think HSBC can be reasonably held responsible for the loss for the reasons I've already explained but I think it should pay additional compensation for it handled things.

My final decision

My final decision is, I uphold this complaint in part and HSBC UK Bank Plc should pay Mrs L an additional £50 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L and Mr L to accept or reject my decision before 23 May 2024.

Dolores Njemanze
Ombudsman