

The complaint

Mr H complains HSBC UK Bank Plc didn't do enough to protect him when he fell victim to a job scam.

What happened

Mr H has several accounts with HSBC including a joint account (held with Mrs H), a sole account and a credit card too. He says he's been a customer of HSBC for over 20 years.

Mr H says he was contacted in January 2023 on a social media app asking if he was interested in earning some extra money. He'd just completed some home improvements, so said he was interested. He says he was passed to a company offering an opportunity to earn commission and spoke to an individual there. He says he was told he had to complete tasks – which involved leaving positive reviews for hotels – and that he'd earn commission doing so. He says he was told he'd need to set up a cryptocurrency account as he'd need cryptocurrency in order to pay for tasks to complete. He says he was told he'd get his payments back with commission on top once he'd complete each set of tasks he was given.

Mr H says he used his sole account to pay for cryptocurrency to begin with – and that he was able to complete the tasks he was sent and withdraw his earnings – and that he was confident that this was a legitimate opportunity to earn extra money. He says HSBC then started blocking his payments. He says he spoke to HSBC and asked the agent he spoke to if the blocks and checks for the type of payments he was making could be stopped. He says the agent told him that this would be easier on his joint account. So, he started making payments from his joint account. He says he made three payments from his joint account – totalling £13,800 – and then went back to sending money from his sole account.

Mr H says he realised he'd been scammed when the cost of the tasks became unaffordable and when he was unable to withdraw his money and commission.

Mr H contacted HSBC on 1 February 2023 to say that he'd fallen victim to a job scam and that HSBC hadn't done enough to protect him. He asked HSBC for a refund along with 8% interest. He had a representative helping him, who mentioned a number of vulnerabilities that Mr H had at the time that mean he often acts impulsively without thinking about the consequences. In addition, they mentioned that Mr H had taken out loans and sold his car in order to fund some of the payments he made.

HSBC looked into Mr H's claim and said that it wouldn't be able to provide a refund as the payments had been credited to a cryptocurrency wallet in his name, and under his full control, so the service had been provided. Mr H was unhappy with HSBC's response and complained with the help of a representative. He complained about his joint account and his sole account. Mr H's representative subsequently complained to our service about both accounts and HSBC's response. This decision relates to his sole account.

One of our investigators looked into Mr H's complaint and said that they wouldn't have expected HSBC to have blocked payments Mr H made before 17 January 2023 as the payments he'd been making until then weren't sufficiently high to be of concern. HSBC had

intervened on 17 January 2023 and blocked two payments. Our investigator said that Mr H hadn't answered questions HSBC had asked truthfully – for example, he'd said no-one else was involved – and they didn't think any additional probing by HSBC would have made a difference. So, they didn't think HSBC had missed an opportunity to prevent a loss here and so didn't recommend Mr H's complaint be upheld.

Mr H's representative disagreed with our investigator's recommendation. They agreed that HSBC shouldn't have been expected to block payments Mr H made before 17 January 2023 for the reasons our investigator had given, and that it should have intervened when he tried to make his ninth and tenth payment. In other words, they agreed on the trigger point. But they didn't agree that additional probing wouldn't have made a difference. Mr H's representatives said that his answer that he was making the payments to release money held in an "escrow account" was alarming and was a warning sign that a scam was occurring. That response, and the activity on the account, should, according to Mr H's representatives, have led HSBC to probe further. Mr H's representative said that it accepted Mr H should be held partially liable as he told HSBC to always allow payments to the cryptocurrency exchange he was dealing with and said liability should be split 50/50. Mr H's complaint was, as a result, referred to an ombudsman for a decision and was 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.

Earlier on this month I issued a provisional decision saying that I was minded to uphold this complaint and require HSBC UK Bank Plc to refund all of 50% of the payments that Mr H made from his sole account from the ninth payment he made plus 8% simple interest from the date of payment to the date of settlement. That's because I was satisfied that:

- HSBC hadn't intervened in the way I would have expected and had, as a result, missed an opportunity to prevent further loss to Mr H; and
- Mr H should share responsibility for the further losses.

Both parties agreed with my provisional decision. In the circumstances, having considered everything again, I remain of the view that this is a fair outcome.

Putting things right

Given the above, I'm going to require HSBC UK Bank Plc to refund all of 50% of the payments that Mr H made from his sole account from the ninth payment he made plus 8% simple interest from the date of payment to the date of settlement.

My final decision

My final decision is that I'm upholding this complaint and requiring HSBC UK Bank Plc to refund all of 50% of the payments that Mr H made from his sole account from the ninth payment he made plus 8% simple interest from the date of payment to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 21 May 2024.

Nicolas Atkinson
Ombudsman