

The complaint

S complains that HSBC UK Bank Plc (HSBC) is refusing to refund the amount S lost as the result of a scam.

S is being represented by a third party. To keep things simple, I will refer to S throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, S says that it received a message via WhatsApp in May 2021 containing a link that was followed by a second message asking S to vote for a company I will call X. The message stated X had been nominated for being the fastest growing broker, best trading support in Asia and best emerging broker. S also had multiple missed calls from the same number.

S ignored the calls and messages but continued to receive them encouraging S to trade with it and in June 2021 X provided S with access to what appeared to be its trading account. The account appeared to show that X had £36,000,000 in its account. On the same day S took a call from X and X explained it was the best brokerage firm and had been trading well for five years making a considerable profit.

S said it wasn't interested in investing but every month X would send S further messages via WhatsApp with screen shots showing how well its investments were doing. The information provided to S supported X's claims that the investments were going well.

Having been following X for over a year S decided to respond to its messages in June 2022. X advised S to carry out research on it and to also check its reviews. S did some research and found that X had positive online reviews and was registered on companies house. Having researched X and having been following it for over a year S was ready to invest.

X requested personal information from S so it could set up an account from which it would be trading on his behalf. X also provided S with a username and password to access the account from which S was able to see his account balance and history.

S started to make payments as advised by X and was comforted further when the bank details he sent funds to matched X. S said X built its trust throughout the conversations it had with it and S was happy to continue investing.

S says that after making the final payment he attempted to make a withdrawal, but X gave excuses as to why the withdrawal could not be processed.

S made the following payments that have now been disputed:

Payment	Date	Payee	Payment Method	Amount
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1	13 June 2022	X	International Transfer	£5.00
2	15 June 2022	X	International Transfer	£19,989.69
3	20 June 2022	X	International Transfer	£9,986.79
	18 July 2022	X		£2,056.54cr
4	29 July 2022	X	International Transfer	£20,001.96
	18 August 2022	X		-£2027.00cr
	1 September 2022	X		-£1,382.00cr

Our Investigator considered S's complaint and didn't think it should be upheld. S disagreed, so this complaint has been passed to me to decide.

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.

Evidence provided by both S and HSBC that sets out what happened. What is in dispute is whether HSBC should refund the payments S has disputed.

Could HSBC have done anything to recover S's money?

The payments S has disputed were made by international transfer. When payments are made via this method HSBC has limited recovery options available to it. HSBC could contact the operator of the receiving account to request a refund of any funds that might remain, but S disputed the payments some time after they were made, and if S has fallen victim to a scam, it is very unlikely such a request would be successful as scammers tend to move funds shortly after they are received.

With this in mind, I don't think HSBC had any reasonable options available to it to recover the payments S made.

Limited information has been provided by S to show S fell victim to a scam, but even if S did fall victim to a scam, I don't think HSBC was able to uncover it at the time. I will explain why.

Should HSBC have reasonably prevented the payments S made?

It has been accepted that S authorised the payments that were made from his account with HSBC, albeit on X's instruction. So, the starting point here is that S is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether HSBC should have been aware of the scam (if it was in fact a scam) and intervened when the payments were being made. And if it had intervened, would it have been able to prevent the loss taking place.

I think it could be argued that the large payments S made should have caused HSBC some concerns and it should have questioned S about them. But S has told us that he was following X's account for over a year and then carried out suitable due diligence including searching X on companies house before deciding to invest. S has also said that X built its trust via multiple conversations.

Had HSBC stepped in when S was making the payments and S was honest with HSBC he would have told HSBC the same as he told us, that he trusted X and had carried out suitable

due diligence including following X for over a year and searching online reviews and companies house.

Had S provided this information to HSBC I don't think it would have had any reason to suspect a scam. So, I don't think HSBC missed an opportunity to prevent S's loss and it is therefore not required to refund the payments.

My final decision

I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 14 February 2025.

Terry Woodham
Ombudsman