

The complaint

Mr F complains HSBC UK Bank Plc won't reimburse funds that he lost when he fell victim to a cryptocurrency investment scam.

What happened

Our investigator didn't uphold the complaint. She didn't think any of the payments looked suspicious such that HSBC ought to have made additional checks before processing any of them.

Mr F has asked for the matter to be referred to a decision arguing HSBC ought to have intervened when he transferred £6,000 to "B" on 1 June 2021 because even though there were larger payments on the account, those payments were to an established payee, and B was to a high-risk cryptocurrency merchant.

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 taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, HSBC ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

I have reviewed Mr F's account and the payments he made to the scam. Having considered when they were made, their value and who they were made to, I'm not persuaded HSBC ought to have found any of the payments suspicious, such that it ought to have made enquires of Mr F before processing them. The first four transactions were low value debit card payments and so even though Mr F was sending funds to new high-risk cryptocurrency merchants, I wouldn't have expected HSBC to intervene.

I accept the fifth transaction was significantly higher, but it was lower than payments Mr F had made on 31 May 2021 and 20 June 2020, so the amount wasn't unusual for the account. I also accept the two payments were to an established payee and the transfer on 1 June 2021 was to a cryptocurrency merchant, but that doesn't mean payments should automatically be treated as suspicious, and this was the fourth time Mr F had sent funds to B since January 2021, so I don't think there was any cause for concern.

Whilst Mr F has undoubtedly been the victim of a cruel scam, I don't find there were any failings on HSBC's part that would lead me to uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or

reject my decision before 31 March 2025.

Carolyn Bonnell
Ombudsman