

The complaint

Mr A complains that HSBC UK Bank Plc ('HSBC') won't refund the money he lost to a job scam.

What happened

The events leading up to this complaint are known to both parties. I won't repeat all the details here.

In summary, Mr A says that in August 2023 he was contacted by an individual (the scammer) about a remote job opportunity with a company (I'll call 'D'). He says the scammer was extremely professional and they immediately began to develop a trusting relationship.

For the job itself, it was explained his role at D would involve 'product and data optimisation' – rating products online to boost sales. And that he'd earn commission for completing sets of 'tasks' he was randomly assigned. To make the scam more convincing he was provided with some training and given access to a sophisticated platform which looked genuine.

As part of the process, he was required to deposit his own money in the 'work' account and complete the assigned 'tasks'. These deposits were paid in cryptocurrency which he bought by sending money from his HSBC account either to an account he held with a crypto-platform or by first sending funds to his account with another payment services provider (I'll call 'R'). It was the cryptocurrency that was sent and lost to the scam.

Things seemed to be going well initially. But he realised he'd been scammed when he was repeatedly assigned new 'combination tasks' to complete and told he needed to pay more to access his money. By that time, however, more than £16,000 had been sent as part of the scam over a series of payments between August and November 2023.

A complaint was made to HSBC in January 2024 and then referred to our Service. Our Investigator considered it and didn't uphold it. She didn't think there was enough about the payments or the account activity for HSBC to have intervened on suspicion that Mr A was at a heightened risk of financial harm from fraud. She also noted Mr A had misled HSBC as to the 'payment purpose' when asked and didn't reveal what was really happening during an intervention call either. She thought it was unlikely HSBC could have unravelled the scam.

As the matter couldn't be resolved informally, it's 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.

Having done so, I've reached the same conclusions as the Investigator.

Authorisation

It's not in dispute Mr A was scammed and I'm sorry about the impact the whole experience has had on him. It's also not in dispute he authorised the payments from his HSBC account. So, although he didn't intend the money to go to a scammer, under the Payment Services Regulations 2017, Mr A is presumed liable for his losses in the first instance. And as the Supreme Court reiterated in *Philipp v Barclays Bank UK PLC*, banks generally have a contractual duty to make payments in compliance with the customer's instructions.

Prevention

There are, however, some situations where I consider that a firm (like HSBC) taking into account relevant rules, codes and best practice, should reasonably have taken a closer look at the circumstances of a payment – if, for example, it's particularly suspicious.

In this case, I'm not convinced there was enough about any of the payments, looking at their values, when they were made, and what HSBC would have known about their destination, for it to have intervened on suspicion that Mr A was at a heightened risk of fraud. I'm mindful most of the payments were for relatively low amounts, made to Mr A's account with R, and that, by the time larger payments came about in November 2023, R had arguably become a known payee. I'm also mindful that, while the money was used to buy cryptocurrency (which was sent to the scammer), that's not something HSBC would have known in relation to the payments to R. And, for the card payments made directly to the crypto-exchange, I don't consider they ought to have looked particularly concerning either, considering the values of the amounts paid.

In any event, as referred to by the Investigator, HSBC did in fact intervene to find out more about some of Mr A's payments. On 4 November 2023, for example, Mr A was asked, in the automated payment flow, for the payment purpose. In response, he selected 'Paying friends and family'. The same response was given for a payment that was processed on 9 November 2023. In turn, Mr A was warned about fraudsters telling customers to mislead the bank about the payment purpose and against paying unknown individuals. I note these warnings didn't resonate. And that there's clear evidence in the messages Mr A exchanged with the scammer that he reverted to them when payments were blocked and followed their instructions on how to respond. I also can't overlook that when HSBC spoke to Mr A directly on 9 November 2023, he gave answers that were inconsistent with the truth.

For example, he confirmed (more than once) he'd not been asked by someone else to make payments. When asked for the payment reason, he said *"I pay lots of friends...I pay lots of family money"* and he *"understands that banks are more hassle...that's why I do it"*. He was again warned about scammers coaching victims not to tell the truth about the purpose of the payment. I note that, in appealing the Investigator's outcome, Mr A has said he didn't fully understand or hear all of the bank agent's questions and that the agent didn't pick up on his comment about *"losing money"*. But I'm satisfied questions were repeated when needed. I'm not persuaded Mr A didn't understand what he'd been asked when he gave his responses or that further probing on anything he'd said would have brought the scam to light.

I also note Mr A has more recently said he was *"hypnotised"* by the scam. I don't imagine he believed he'd been offered anything other than a genuine work opportunity. He's also said the account activity should have triggered alarms and that the questionnaires he was taken through were unfit for purpose. But, as I've set out, some payments did trigger. He was asked questions about them by HSBC (and also by R) and provided with warnings based on some of his answers. And, even if I were to agree that HSBC ought to have probed more at times, I still think it's unlikely a level of questioning, proportionate to the risk presented by any of the payments, would have exposed the scam – given how the interventions played

out and the extent to which Mr A was prepared to be guided by the scammer.

I'm sorry Mr A was the victim of a cruel scam. I can understand why he wants to do all he can to recover his money and I know this will come as a disappointment. But I don't think it'd be fair and reasonable to hold HSBC liable for his losses in circumstances where it's unlikely it could have prevented them. And, in terms of recovery, I'm satisfied there was little HSBC could have done. The transfers were made to Mr A's account with R and the funds had been sent on from there by the time the scam was reported. For the card payments paid directly to Mr A's account with a crypto-exchange, it's unlikely a chargeback claim would have had any prospect of success given there's no dispute Mr A received the cryptocurrency as intended.

My final decision

For the reasons I've given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 13 June 2025.

Thomas Cardia
Ombudsman