

The complaint

Mr S and Mrs O are unhappy HSBC UK Bank Plc ("HSBC") won't reimburse them for the money they lost when Mr S fell victim to a scam.

As Mr S was the one that dealt with the scammer, I will mainly refer to him after this point, even though the account that the funds came from was a joint account.

What happened

The details and facts of this case are well-known to both parties, so I don't need to repeat them at length here.

In short, Mr S says he was contacted by someone (who I will refer to as B) via a messaging app and was offered a job. The job was to review products online and he would be paid via crypto. However, once he started doing reviews, he was asked to pay to unlock further reviews.

Subsequently, the following payments were made firstly to an account he held with a different provider and then to a crypto exchange. My understanding is that the funds were ultimately transferred on to B.

Mr S sent over £18,000 via debit card payments to the account he held with a different provider and the crypto exchange. There was also a transfer of £11,000 but this seems to have been sent to the account he held with a different provider and then sent back to his HSBC account.

Mr S realised that he had been scammed when he was unable to withdraw his earnings. He made a complaint via a representative to HSBC and requested that the above transactions be refunded. It declined to do this.

One of our investigators looked into this matter and they thought that HSBC should have intervened when payment 10 was made. But they did not think that this would have stopped the scam due to the answers that Mr S gave when HSBC intervened during a payment that was stopped. Mr S did not agree with this and therefore this complaint has been passed to me to issue a final 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 Mr S authorised the disputed payments he made from his HSBC account. The payments were requested by him using his legitimate security credentials provided by HSBC, and the starting position is that HSBC 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 prevent Mr S from falling victim to the scam, as there are some situations in which it should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly out of character.

In this instance, I agree with the investigator that the first 9 payments to Mr S's account that was held with a different provider were not individually large enough nor sufficiently indicative of a scam to have prompted an intervention from HSBC.

I do think that HSBC should have intervened when Mr S made a payment of £3,364.07 on 24 July 2023. It represented the fourth payment in one day and was larger than the preceding payments. But I don't think that an intervention would have uncovered or prevented the scam.

I say this because HSBC did intervene the following day and asked questions about a payment that Mr S made. In this call Mr S gave misleading answers about what he was doing. He said he was buying shares in energy and pharmaceutical companies. He goes further and says that the reason he is sending funds to the account that he held with a different provider is because he wants to gather the funds in one place. The HSBC member of staff was not persuaded by this and blocked the payments. Shortly after this Mr S changed how he sent funds to the scammer and started sending funds directly to a crypto exchange.

So this demonstrates that Mr S was willing to actively mislead HSBC in order to try and send payments to the scammer and he was willing to change how he sent the payments to ensure that they went through. I also can see that the scammer was coaching Mr S on what to say in the chats between him and the scammer. This suggests that Mr S was so under the spell of the scammer that any intervention from HSBC would not stop the scam.

So overall I accept that HSBC should have intervened more than it did but given the above I don't think that the scam would have been uncovered or stopped.

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

I've also thought about whether HSBC could have done more to recover the funds Mr S in this instance, the card payments were to an account he held with another provider and a crypto exchange. These transactions were essentially a means of moving funds from one place to another, as this is what happened, I don't think that HSBC could challenge the payments via chargeback.

So overall I don't think that the funds could have been recovered via other means.

I appreciate this will come as a disappointment to Mr S and Mrs O, and I'm sorry to hear they have been the victim of a scam. However, I'm not persuaded that HSBC can fairly or reasonably be held liable for the losses that were incurred in these circumstances.

My final decision

Because of the reasons given above, I do not uphold this complaint against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O and Mr S to accept or reject my decision before 15 April 2025.

Charlie Newton
Ombudsman