

## The complaint

Mr K complains HSBC UK Bank Plc ("HSBC") didn't do enough to protect him when he fell victim to a scam.

## What happened

Mr K said he was seeking to invest and having researched an investment firm he contacted it and spoke with an agent, who I'll refer to as the scammer. Mr K said the scammer advised him on investments and what sort of returns he could expect. He said he set up an account and had access to a trading portal which added legitimacy to the investment opportunity.

Mr K said he began investing in November 2020 and was able to make a withdrawal which he later reinvested. He said in April 2021 when trying to withdraw funds he was repeatedly asked to make further deposits. He said he made it clear to the scammer he had nothing more he could invest, and their communications stopped. Mr K told us this is when he realised he'd been scammed.

Mr K said HSBC didn't intervene when he made the payments and if it had, he could have reconsidered the investment opportunity.

Mr K told us he funded the scam with some of his savings, funds he held in a cryptocurrency wallet and borrowed money from family and friends. He said falling victim to the scam has left him in financial problems and affected his mental health.

Below are the payments Mr K made from his HSBC account to legitimate cryptocurrency exchanges:

Date	Amount
6 November 2020	£3,513.86
9 November 2020	£2,287.11
10 November 2020	£2,668.29
16 November 2020	£1,292.58
17 November 2020	£3,793.91
17 November 2020	£1,138.17
26 November 2020	£3,753.75
26 November 2020	£3,753.75
11 December 2020	£3,807.20
22 December 2020	£3,007.07
29 March 2021	£363.53
7 April 2021	£1,821.89

*The above payments incurred fees for non-Sterling transactions totalling £857.96.*

Mr K complained to HSBC, and his complaint wasn't upheld. Unhappy with HSBC's response, Mr K raised the matter with the Financial Ombudsman. One of our Investigators

looked into the complaint and didn't uphold it. They didn't think HSBC ought to have been concerned by the payments.

Mr K didn't agree. In summary, he said:

- Using cheques for large payments shows he didn't use his card for large payments.
- HSBC ought to have considered payments to cryptocurrency as high risk.

As an agreement could not be reached, the complaint has been passed to me for 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.

I'm sorry that Mr K has been the victim of a scam. I realise he's lost a significant sum of money and I don't underestimate the impact this has had on him. And I'd like to reassure him that I've read and considered everything he's said in support of his complaint. But I'll focus my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. I know this will come as a disappointment to Mr K but having done so, I won't be upholding his complaint for broadly the same reasons as our Investigator. I'll explain why.

In broad terms, the starting position at law is that banks and other payment service providers are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

Mr K authorised the payments in question here – so even though he was tricked into doing so and didn't intend for his money to end up in the hands of a scammer, he is presumed liable in the first instance.

But as a matter of good industry practice, HSBC should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: as while banks and Electronic Money Institutions should be alert to fraud and scams to act in their customers' best interests, they can't reasonably be involved in every transaction.

I've thought about whether HSBC acted fairly and reasonably in its dealings with Mr K when he made the payments, or whether it should have done more than it did. In doing so I've considered what HSBC knew about the payments at the time it received Mr K's payment instructions and what action, if any, HSBC took prior to processing the payments.

HSBC told us it didn't display any warnings to Mr K when he made the payments. I've thought carefully whether this was reasonable or if HSBC ought to have done more than it did prior to processing the payments.

To gain the full picture of the information HSBC would have had access to, at the time the payment instructions were made, I've reviewed Mr K's account statements. I found several payments made in the months prior to the scam for amounts which are of similar value to the disputed payments. These were made by cheque when the disputed payments were made by debit card which Mr K believes shows he didn't typically use his card for payments of this

value. It's helpful to consider his usual account activity including the funds leaving the account when deciding if the payments appear to be out of character, or not. And having done so I don't think they were out of character. I believe the payments can be considered to be of a value that's in-line with how he generally used his account and didn't drain the account of funds. I've also taken into consideration the payments were made over several months. I therefore don't think the payments suggested Mr K was potentially falling victim to a scam or at risk of financial harm from fraud.

I also think the payments weren't of an unusually excessive value so I don't think the payments were suspicious in nature. I appreciate they were going to cryptocurrency providers but that point, at the time these payments were made isn't enough to suggest to HSBC that Mr K was at a heightened risk of financial harm from fraud. I therefore don't think it was unreasonable for HSBC to process the payments in-line with Mr K's payment instructions.

I'm sorry to disappoint Mr K further, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think HSBC needs to refund his money or pay any compensation. I realise this means he's out of pocket and I'm really sorry Mr K's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

### *Recovery*

As the payments Mr K made were to an account in his own name they aren't covered by the Contingent Reimbursement Model.

I've thought about whether there's anything else HSBC could have done to help Mr K — including if it took the steps it should have once it was aware that the payments were the result of fraud.

As some transactions were debit card payments, the only option of recovery was via chargeback. But given the payments were made to cryptocurrency providers, I don't consider it would have had any prospect of success given there's no dispute the cryptocurrency was provided to Mr K and so, I don't think HSBC could've recovered Mr K's loss.

Additionally, scammers typically move money on quickly to avoid having it returned to their victims and Mr K said he contacted HSBC about the scam in November 2023. Given the time between the payments being made and the fraud being reported to HSBC I don't think there was much chance of successful recovery of Mr K's funds.

### **My final decision**

My final decision is that I do not uphold this complaint against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 15 July 2025.

Charlotte Mulvihill  
**Ombudsman**