

## **The complaint**

Mr A complains that HSBC UK Bank Plc trading as first direct (“first direct”) won’t refund several payments he says he made and lost to a scam.

## **What happened**

Mr A raised a complaint with first direct, but it wasn’t upheld. So, Mr A brought his complaint to our service.

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

Mr A didn’t agree with the investigators view and his representative has asked for the matter to be referred to a 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 very aware that I’ve summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I’ve focussed on what I think is the heart of the matter here. If there’s something I’ve not mentioned, it isn’t because I’ve ignored it. I haven’t. I’m satisfied I don’t need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, first direct 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 A’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 first direct ought to have found any of the payments suspicious, such that it ought to have made enquires of Mr A before processing them. I accept the payments were to a crypto provider, but that doesn’t mean payments should automatically be treated as suspicious, particularly when there are no other concerning factors about the payments.

We would only expect first direct to raise a chargeback to attempt recovery of the money if it was likely to be successful. Mr A paid a legitimate cryptocurrency exchange and he would’ve received a service from them. So, I don’t think first direct have done anything wrong by not raising a chargeback in these circumstances.

Mr A feels first direct should refund the money he lost due to the scam. I understand that this will have been frustrating for him, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think first direct needs to pay Mr A any compensation. I realise this means Mr A is out of pocket and I'm really sorry Mr A's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

### **My final decision**

For the reasons given above, 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 A to accept or reject my decision before 11 March 2025.

Tom Wagstaff  
**Ombudsman**