

## **The complaint**

Mr B is unhappy that HSBC UK Bank Plc ("HSBC") won't refund money he lost as a result of a scam.

## **What happened**

Mr B met a person online who I will call D. After some time, D mentioned investing to Mr B. D then encouraged Mr B to invest in what seems to be a scam company that I will call C.

Mr B was then introduced to a representative of B. The representative appeared to Mr B to be very credible.

Mr B agreed to invest and made around 7 transactions totalling over £20,000 via debit card and via transfers, to an account he held with a third party.

Mr B then purchased crypto with the card payments and using the money he'd transferred to his third-party account and forwarded this on to B. Mr B discovered he had been scammed when he was told that he needed to pay a fee to withdraw his profits.

Mr B reported the matter to HSBC as Mr B believes HSBC didn't do enough to protect him. HSBC didn't think it had made an error, so declined his claim. Mr B referred the matter to our service and one of our Investigators thought that HSBC should have questioned the payments, given their unusual nature. That said though, she did not think an intervention would have changed Mr B's decision to carry on with the transactions - given the circumstances that led to Mr B investing in the first place.

Mr B, through his representatives, didn't agree. As no agreement could be reached, the case was 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons.

It isn't in dispute that Mr B 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 B 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.

I don't think that HSBC needed to intervene during the first few payments, as they were not large enough to have prompted an intervention.

That said, when a £10,000 transaction was made on 20 November 2023, I think that HSBC needed to go further and should've asked Mr B questions about the payment and provide a warning based on the answers given. Given the answers Mr B made to his other account provider when he sent funds, as part of what appears to have been peer-to-peer crypto transaction, I am unsure what answers Mr B would have given. I say this because he selected "friends and family" and "other" when the transactions were for investing with C.

I also note that D had told Mr B to avoid mentioning the scam platform or crypto and it seems that Mr B agreed to do this, given the payment reasons provided above. So had HSBC asked questions about the payments, I think that Mr B would have given answers to avoid mentioning what he was actually doing. That said, given that the payments were going to a crypto exchange, I think that HSBC would have been able to provide a general warning about the dangers of crypto scams.

But I don't think that a warning of this nature would have dissuaded Mr B from going ahead with the transactions. Mr B had been recommended the investment by someone that he had a close relationship with who he had told that he trusted implicitly. The friend said that she had made and withdrawn "profits". And finally, there were no official warnings available online about D at the time either. So overall, even if things had gone as they should've with HSBC, I think Mr B would've likely still incurred the loss that he unfortunately experienced.

I have thought about whether HSBC could have recovered the funds when the fraud was reported. But I don't think it could've. This is because in relation to the transfers, the Contingent Reimbursement Model "CRM" does not apply as the payments were made to an account held by Mr B, rather than to a third party. In relation to the card payments, the payments were essentially a means to transfer funds to the crypto exchanges and, as far as I am aware, Mr B received the crypto that he'd purchased with the card payments. It was only when he sent the crypto on to the scammer did the loss occur. So I don't think that there would be grounds for a chargeback on the card payments that he made. So, for these reasons, I don't think that the funds could have been recovered by HSBC.

It therefore follows that I can't reasonably tell HSBC to refund any money to Mr B.

### **My final decision**

Because of the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 9 July 2025.

Charlie Newton  
**Ombudsman**