

The complaint

Mrs V complains HSBC UK Bank Plc didn't do enough to protect her when she fell victim to a job scam.

What happened

Mrs V has an account with HSBC. She has accounts with three other businesses too, who I'll refer to as "M", "W" and "R" throughout the rest of this decision.

Mrs V started a job on 1 September 2023 – having seen an opportunity online and having been contacted by someone claiming to be a recruiter. The job involved completing tasks online. Mrs V says she was shown how to do this and that in order to complete tasks she needed to buy cryptocurrency and send this to the platform she was working on. The whole opportunity was, in fact, a job scam and had all the common features of such scams.

Mrs V says she sent ten payments to a known cryptocurrency exchange or people selling cryptocurrency from her account with HSBC between 4 and 17 September 2023 in connection with her "job". The first six payments were all sent on the same day – 4 September 2023 – and were all for £25 or less. The next two payments were sent on 8 September 2023 and were much larger – totalling over £7,500. The final two payments were for £2,050 and £1,000 respectively. The payments were a mixture of card payments and transfers. A payment for £10,000 that Mrs V attempted to send on 8 September 2023 was, it seems, reversed by HSBC as it had fraud concerns. Mrs V didn't send any more payments from her HSBC account after that.

Mrs V says she realised she'd been scammed when one of the other businesses – M – intervened and questioned her and told her that she'd been scammed. That was on 17 September 2023. Mrs V contacted HSBC to say she'd been scammed and to ask for a refund. She contacted M, W and R too.

HSBC looked into Mrs V's claim and ultimately said that it wasn't going to refund her payments. Mrs V was unhappy with HSBC's response and complained and came to us.

One of our investigators looked into Mrs V's complaint against HSBC and said that they thought that HSBC should have intervened when she tried to make her sixth payment to the cryptocurrency exchange she was dealing with on 4 September 2023. Had HSBC done so, our investigator thought that Mrs V would have been honest and open about what she was doing – as she was when HSBC intervened on 8 and 9 September 2023 – and that her answers ought to have alerted HSBC to the hallmarks of a job scam. So, they recommended that HSBC refund Mrs V from that sixth payment onwards, and that liability be shared. In relation to that, our investigator recommended a 25% deduction. Both parties ultimately agreed to our investigator's recommendation including the 25% deduction. Mrs V's complaint was, however, referred to decision because the outcomes of her other complaints weren't all agreed – one of the businesses involved asked for Mrs V's complaint against them to be referred to decision. All four complaints were, as a result, passed to me.

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.

Earlier on this month I issued a provisional decision in which I said:

"Everyone agrees that Mrs V has fallen victim to a job scam. She started this "job" on 1 September 2023 and things started to go wrong, as far as I can see, when she received her first earnings having worked five days in a row. Mrs V started receiving "combination tasks" at that stage which the scammers had already sold to her as a good thing saying that they were an opportunity to earn higher commission rates. And that the larger payments she had to make in order to take these tasks on – which she'd been told she'd ultimately get back – were, therefore, worth it. I can see that as a result of these "combination tasks", amongst other things, that Mrs V started making increasingly large payments towards the scam from 5 September 2023 and that she was soon sending payments of over £3,000 and ultimately payments of £10,000 from some of her accounts. In total, she sent over £80,000 to the scammers, approximately £10,000 of which came from HSBC. This triggered multiple warnings across her various accounts and meant Mrs V not only had problems finding money to fund her payments but was also very concerned about how much she might lose.

HSBC spoke to Mrs V on at least two occasions before she reported the scam, namely on 8 and 9 September 2023. I've listened to both calls, and I agree that there were several occasions during those calls when Mrs V volunteered information that I would have expected the agents to pick up on and question in more detail. They instead seemed happy to accept Mrs V's explanation that she was "buying assets" that she needed as part of her "work", despite the fact that Mrs V mentioned the name of the cryptocurrency exchange she was dealing with – so it would have been obvious she was buying cryptocurrency – and despite mentioning the company she believed she was working for. I agree with our investigator that HSBC's agents missed opportunities to uncover the fact that Mrs V was being scammed and, therefore, also missed opportunities to prevent her from making further losses. Equally, I agree with HSBC that the first six payments Mrs V made were too small to warrant intervention, and that even six in one day wouldn't have been enough to be of concern given their small size. I do, however, think that the card payment that Mrs V made on 8 September 2023 – for £3,315.27 – to a known cryptocurrency exchange was large enough to be of concern. So, it's at that point that I think HSBC should have intervened. Had it done so, and done so effectively, I'm satisfied that Mrs V would have realised that she was falling victim to a scam and wouldn't have made any further payments. So, HSBC should refund Mrs V from the payment she made for £3,315.27 on 8 September 2023 onwards.

Our investigator recommended that liability be shared between HSBC and Mrs V on the basis of contributory negligence. In cases where we apply a deduction for contributory negligence, our starting point is a 50% deduction. In this case, our investigator recommended a 25% deduction. They did so because they felt HSBC's failure to identify the fact that Mrs V was being scammed when she provided so much information was a significant one. Whilst I agree that HSBC's failure was significant, I can see that Mrs V did have concerns early on that she didn't act on and that there were a lot of red flags that she ignored. In addition, I think it's fair to say that even after M had told her in very clear terms that she was being scammed that Mrs V still wanted to make "one last payment" in order to get her money back and would probably have done so had it not been for M freezing her account so she couldn't do so. In short, in this case I don't think there are good enough reasons to depart from our normal

starting point. So, I'm minded to ask HSBC to refund 50% of the payments Mrs V made from the payment she made for £3,315.27 on 8 September 2023 onwards together with 8% simple interest from the date of payment to the date of settlement."

Both parties were invited to reply to my provisional decision. Both did and both agreed to it.

Putting things right

As both parties have agreed to my provisional decision, and having reconsidered everything again, I remain of the view that HSBC should put things right by refunding 50% of the payments Mrs V made from the payment she made for £3,315.27 on 8 September 2023 onwards together with 8% simple interest from the date of payment to the date of settlement.

My final decision

My final decision is that I'm upholding this complaint and require HSBC UK Bank Plc to refund 50% of the payments Mrs V made from the payment she made for £3,315.27 on 8 September 2023 onwards together with 8% simple interest from the date of payment to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs V to accept or reject my decision before 25 November 2024.

Nicolas Atkinson
Ombudsman