

## **The complaint**

Mr O complains about HSBC UK Bank Plc.

He says that HSBC didn't do enough to protect him when he fell victim to a scam and would like it to refund him the money he has lost as a result.

## **What happened**

Mr O had been aware of investing in cryptocurrency throughout 2023 and had witnessed its growing popularity and lucrative nature.

In August 2023, Mr O saw a pop-up advert for 'X' on the internet and thought he might benefit from investing funds from the sale of some land he had inherited.

He followed the link to the website, which he found professional and detailed, and he thought that it seemed like a genuine opportunity.

He then received a call from an individual who said they represented X who talked him through the trading process in detail and was told he would have access to a portal and a broker who would do the trading on his behalf.

Mr O made an initial deposit of £250 from one of his bank accounts and was given regular updates from his broker showing his profits and was encouraged to make two further payments of £9,500.

Contact with the broker began to ease off, and he had concerns about his money so Mr O asked if he could make a withdrawal and was told he could withdraw \$1,000. Mr O became uneasy and asked to withdraw all of his money – which he thought had grown to \$46,000 – but was told that he needed to pay £5,200 in fees.

Mr O made this payment from his account with HSBC in September 2023 but was unable to make a withdrawal.

He complained to HSBC about what had happened, but it didn't uphold his complaint, so it was brought to this Service.

Our Investigator looked into things under Lending Standards Contingent Reimbursement Model code (CRM Code) but didn't think that the complaint should be upheld. Mr O asked for an Ombudsman to make a final decision, so the complaint has been 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.

Having done so, I have decided not to uphold this complaint. I know this will be disappointing

for Mr O, so I'll explain why.

It isn't in dispute that Mr O authorised the payment of £5,200. Because of this the starting position – in line with the Payment Services Regulations 2017 – is that he's liable for the transaction. But Mr O says that he has been the victim of an authorised push payment (APP) scam.

HSBC has signed up to the voluntary CRM Code, which provides additional protection to scam victims. Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam (except in limited circumstances).

*Is Mr O entitled to reimbursement under the CRM Code?*

Generally, there are two exceptions to reimbursement under the CRM Code (there are other exceptions, but these do not apply here)

- Mr O ignored an 'Effective Warning'.
- Mr O made the payments to X without a reasonable basis for belief that they were for genuine goods/services; and/or X was legitimate.

Given the six of the payment, I think that HSBC should have provided Mr O with an effective warning when he made the payment – it did show Mr O a warning about cryptocurrency investments, but I don't think that this went far enough to warn Mr O about the risk associated with the payment he was making, especially as he was paying a fee to release his supposed investment, and so I can't say that Mr O ignored an effective warning.

However, in order for me to uphold this complaint, I would have to find that even if HSBC had given Mr O an effective warning he wouldn't have continued to make the payment – and I am not persuaded that Mr O would have taken an effective warning on board. I'll explain why.

A few weeks prior to making his payment, Mr O visited an HSBC branch in order to increase his overdraft to facilitate making a payment to the scam. When asked why he wanted to do this, he disclosed to HSBC what he was doing, and admitted that he knew it was a scam, but wanted to try one more payment to double check. HSBC told him that it was definitely a scam, and that he should not make the payment. He then spent time with the HSBC representative who explained how these types of scams work. While I can't know what was discussed, it seems that Mr O was already aware that he was very likely being scammed, and HSBC confirmed this and gave him information about scams at this time. Mr O has also explained that his other bank contacted him at the time of the payments he made earlier in the scam and gave him a warning that this could be a scam too.

However, despite accepting that he was being scammed, Mr O still decided to make the payment a few weeks later. So, while I would have expected HSBC to warn Mr O again, I am not persuaded that this would have prevented him from making the payment as it seems he was determined to do so.

I also don't find that Mr O had a reasonable basis for belief in the scam either. It doesn't appear that he conducted any research into what he was supposedly investing in or undertake any further checks on X when he found the advert and website – instead Mr O seems to have taken X's representatives word at face value. He didn't receive any paperwork or contracts, and the rate of return he was promised was too good to be true.

I am very sorry that Mr O has lost his money – and I do understand that he was hoping to

make money out of investing in crypto. But for the reasons set out above, I am unable to uphold his complaint against HSBC, and I don't find it is liable to refund him under the CRM Code.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 9 January 2026.

Claire Pugh  
**Ombudsman**