

## **The complaint and background**

Mr H complains HSBC UK Bank Plc trading as first direct ("First Direct") won't reimburse over £3,000 that he lost when he fell victim to an investment scam.

Our investigator didn't uphold the complaint. Based on the amounts paid, the frequency of payments, and the previous account activity, she wouldn't have expected First Direct to have intervened. But she acknowledged that it did – it held a payment of £649 until it had spoken with Mr H. She felt that the questions it asked were proportionate to the risks presented. And while she noted that First Direct could have gone further with its questioning, she wasn't persuaded that the scam would have been uncovered.

Mr H, via his representative, has asked for the matter to be referred to an ombudsman. It said Mr H genuinely believed he was engaging in a legitimate opportunity, that there should have been a broad investigation, and that the intervention didn't go far enough as cryptocurrency payments carry a heightened risk of fraud.

So, the complaint has been passed to me to decide.

## **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 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.

First Direct paused one of the payments to make some further enquiries about it. I agree with the investigator that this intervention seemed proportionate to the risk presented, when factoring in the value and frequency of the payments, as well as the previous account activity.

And, while First Direct could have enquired further about the payment, I don't consider that there was anything overly concerning within the answers Mr H gave that would have led it to probe further. Mr H said he hadn't been guided on how to answer any questions from his bank, hadn't been asked to move money to a safe account, hadn't been asked to download remote sharing software, and was investing in cryptocurrency through trusted sources.

I'm also not persuaded that further proportionate enquiries would have prevented Mr H's loss. I say this because Mr H has said he genuinely believed he was engaging in a legitimate opportunity. And he considered the scammer to be a trusted source. There also doesn't appear to have been any negative information in the public domain about the company Mr H believed he was investing in at the time of the payments.

I note that Mr H has talked about cryptocurrency payments carrying a heightened risk of fraud. However, there was nothing concerning uncovered in the conversation with First

Direct. And, for the reasons outlined above, I consider that the intervention was proportionate.

While Mr H has been the victim of a cruel scam, I can uphold his complaint if I'm satisfied First Direct acted in error, and that this error made a material difference to what happened. For the reasons given, I'm not persuaded it did.

### **My final decision**

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 H to accept or reject my decision before 24 September 2025.

Melanie van der Waals  
**Ombudsman**