

The complaint

Mrs P complains that HSBC UK Bank Plc didn't do enough to prevent her losing money to a scam.

Mrs P is being represented by a professional representative but for ease I'll only refer to Mrs P in the decision.

What happened

In late 2019 Mrs P saw an investment opportunity on social media. She contacted the merchant and was provided with an account manager who instructed her to download screensharing software. She began investing with the merchant and made seven credit card payments over ten months for a total of around £20,500 to a legitimate crypto exchange. Mrs P thought she had accumulated around £27,000 in profits but was unable to withdraw this amount. At that point, she realised she had been scammed.

In December 2021 Mrs P was contacted out of the blue by a third-party claiming to work for a merchant who could recover the money she had lost in the first scam. Mrs P was convinced to send five payments for a total of around £11,765 to a legitimate crypto exchange. Mrs P realised she had been scammed for a second time when she received requests to send more money to recover the money from the first scam.

Mrs P raised a claim with HSBC, but it said it didn't do anything wrong here so it wouldn't be offering her a refund. It did offer Mrs P £150 compensation for miscommunication and apologised.

Mrs P remained unhappy, so she brought her complaint to this service. Our Investigator didn't think the complaint should be upheld. He said that during the second scam HSBC stopped a payment and spoke to Mrs P, but she didn't provide accurate answers to its questions.

Mrs P disagreed and asked for an Ombudsman's review. She said HSBC only intervened during the second scam and if it had intervened during the first scam it could've stopped her losses. She said she wasn't told to lie to the bank by anyone during the first scam, so HSBC could've uncovered what was happening and as a result, the second scam would never have happened. Mrs P said the payments towards the first scam were unusual and should've been stopped by HSBC for further questioning.

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've reached the same outcome as our Investigator and for similar reasons. I know this will be disappointing for Mrs P, so I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I have to make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

It isn't in dispute that Mrs P authorised the payments here. And, under the Payment Services Regulations 2017 and the terms of her account, HSBC are expected to process the payments and Mrs P is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for HSBC to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

Mrs P has said that the payments on her credit card should've been seen as sufficiently suspicious for HSBC to intervene. It's arguable that Mrs P did sometimes spend large amounts on her credit card around the time of the first scam (a total of £4,666 in February 2019, £3,000 of genuine spending in December 2019 and around £3,000 in April 2020). So, the total value of the payments may not have been reasonably suspicious to HSBC at the time. But even if I did find that the payments were suspicious and warranted an intervention, I don't think HSBC would've been able to uncover the scam. I'll explain why below.

When Mrs P sent £7,456 to an account in her own name to a genuine crypto exchange on 17 December 2021 (during the second scam) HSBC stopped the payment and spoke to her. It asked her reasonable questions to try and understand why she was sending her money to the crypto exchange. Mrs P said she was buying Bitcoin by herself, and no one was telling her to do it. She was asked if there were any third parties involved but she always said no to any such questions. She was then given scam education about scammers contacting individuals to send funds for various reasons which Mrs P said she was aware of, but it wasn't the reason for her sending the money.

Mrs P has told our Service that she was only told to lie to HSBC during the second scam, and not the first, and so would've responded accurately to any of HSBC's questions if it had intervened during the first scam. However, I don't find that a very persuasive argument here. I've not seen any evidence in the scam chats that Mrs P was being coached during the second scam. She was telling the scammer that HSBC had stopped one of the payments, but I can't see that she was being told what to say.

Even if I did agree with Mrs P that she was being coached to lie to the bank during the second scam, I don't think that would be a reasonable position for her to take given that she had been scammed before.

Mrs P has said in her testimony to our Service previously, and in the scam chats with the scammer, that she was worried about what was happening because it was similar to what happened to her before. And in an e-mail to the Financial Conduct Authority (FCA) in February 2022, Mrs P forwarded what she had previously sent to Action Fraud. She told the FCA that when she was first contacted by the second scammer, she asked lots of questions because she naturally thought it was another scam. So, to then go along with the scammer and lie to the bank about the real reason for the payment isn't, in my opinion, a reasonable cause of action for Mrs P to have taken given her apparent concerns. I'm also more

persuaded by the earlier correspondence with the FCA that fails to mention any coaching or Mrs P being told to lie to the bank.

Overall, based upon the evidence I've seen, even if I found that HSBC should've stopped one of the earlier transactions on Mrs P's credit card during the first scam, I'm not persuaded that she would've answered HSBC's questions any differently to how she responded when questioned during the second scam. Her testimony doesn't appear to be consistent in relation to her reasons for not providing accurate answers to the bank. And apart from her later comments that she was told to lie to the bank, I've not seen any further evidence that this was the case. The scam chats that have been provided are from around the time of the call with HSBC, and I've seen no coaching in those messages or requests to speak with the scammer before speaking with HSBC.

So, I think it's more likely than not Mrs P wasn't being coached on what to say by the scammer and that she provided the inaccurate answers to HSBC of her own accord. This persuades me – on balance – that if HSBC *had* intervened in the first scam and asked the questions that Mrs P has suggested to our Service, she would've told HSBC that she was investing by herself and that no other third parties were involved. Which would've made it difficult for HSBC to uncover the scam at the time.

I think it's also worth noting here that even with the relevant best practice guides and knowledge of commons scams in 2019 and 2020, HSBC's knowledge of crypto scams wouldn't have been as high as it is today. And I can't hold HSBC to a higher standard retrospectively. As a result, I don't think HSBC treated Mrs P unfairly here.

Recovery of funds

I'm not persuaded HSBC could have done anything more to recover Mrs P's funds. I say this because for the faster payments this money was converted into crypto before being sent to the scammer.

Similarly with the credit card payments, Mrs P paid a legitimate cryptocurrency exchange platform who fulfilled the services she paid for. So, there would be no valid S.75 or chargeback rights regarding these card payments.

Mrs P has said this scam has had a detrimental effect on her health and she was vulnerable at the time to this scam. I'm sorry to hear about her personal circumstances. But I can only ask HSBC to take those health conditions into account if it was aware of them at the time of the payments. So, I can't reasonably hold it to a higher standard based upon the circumstances of this complaint.

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 Mrs P to accept or reject my decision before 29 October 2025.

Mark Dobson
Ombudsman