

The complaint

Mr L complains HSBC UK Bank Plc trading as first direct ("first direct") won't refund the full amount of money he lost to a scam.

What happened

Our investigator didn't uphold the complaint. He didn't think any of the payments looked suspicious such that first direct ought to have made additional checks before processing them.

Mr L's representative has asked for the matter to be referred to a decision. 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.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the significant part here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

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.

I have reviewed the payments Mr L made to the scam. Having considered when they were made, their value and who they were made to, I'm not persuaded first direct ought to have found any of the payments suspicious, such that it ought to have made enquires of Mr L before processing them. I accept the payments were to a crypto provider, but that doesn't mean payments should automatically be treated as suspicious, particularly when there are no other concerning factors about the payments.

Mr L did speak to an advisor on the first payment, but this was because he was having problems making it through his online banking, rather than the bank stopping it due to fraud or scam concerns. The advisor did ask Mr L questions about the payment, as their system flagged an account mismatch, but Mr L was happy to proceed. Mr L also reassured the advisor that he had made payments to the beneficiary before, and he wasn't making an investment but just changing currency.

As the money was sent to an account in Mr L's name then moved on, no recovery by first direct would be possible.

Whilst Mr L has undoubtedly been the victim of a cruel scam, I don't find there were any failings on first direct's part that would lead me to uphold this complaint.

My final decision

For the reasons given above, 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 L to accept or reject my decision before 26 September 2025.

Tom Wagstaff
Ombudsman