

The complaint

Mr G complains that HSBC UK Bank Plc did not reimburse the funds he lost to a scam.

What happened

Mr G says he found an advert on social media for an investment opportunity. He looked it up and was told the users were making lots of money, so he registered. He was expecting to earn returns of 200% within 7 days. He began sending funds sporadically to crypto exchanges from January 2020 until March 2022, via bank transfers to individuals, international payments to individuals and card payments to crypto merchants. These varied in value from just £18 up to £2,800.

Mr G says that when he tried to withdraw funds from the investment, he was unable to, and he realised at that point he had been the victim of a scam. He raised a claim with HSBC via a representative in July 2024, and initially HSBC explained it needed more time and evidence to respond. Shortly after it provided its business file to our service, HSBC refunded all of the payments it felt were covered under the Lending Standards Board's Contingent Reimbursement Model ("CRM") Code, which totalled £17,252.70.

Our Investigator looked into the complaint and felt the redress of £17,252.70 that HSBC paid to Mr G on 12 September 2024 was more than they would have recommended in the circumstances. And they did not think the remaining international and debit card payments were unusual enough to have warranted an intervention from HSBC prior to them being processed. So, they did not think HSBC needed to reimburse the remaining funds.

Mr G disagreed with the outcome and felt the remaining funds should be reimbursed. As an informal agreement could not be reached, the complaint has been passed to me for a final decision.

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.

The starting point under the relevant regulations and the terms of Mr G's account is that he is responsible for transactions he's carried out himself. However, HSBC are signatories to the CRM Code which provides additional protection to victims of authorised push payment scams. Not all payments are covered by the Code, for example debit or credit card payments, as well as international transfers are not covered. In addition, only payments that go directly to a scammer are covered by the Code, meaning any payments sent to genuine individuals to purchase cryptocurrency which will then be passed onto the scammer are not covered.

HSBC has made the decision to reimburse all of the payments it thinks are covered by the CRM Code. Unfortunately, Mr G has been unable to provide much evidence in relation to this complaint, so I do not have any evidence from the time of the payments. I therefore do not know if the transfers he made to individuals were him paying the scammers directly, or if

this was him purchasing cryptocurrency from genuine individuals. In any event, as HSBC has made the decision to reimburse Mr G these funds, I have not considered these transactions further.

The remaining transactions are not covered by the CRM Code. As explained above, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account. And a customer will then be responsible for the transactions that they have authorised.

It's not in dispute here that Mr G authorised the payments in question as he believed they were part of a legitimate investment. So, while I recognise that he didn't intend the money to go to scammers, the starting position in law is that HSBC was obliged to follow Mr G's instruction and process the payments. Because of this, he is not automatically entitled to a refund.

The regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. So, I've also thought about whether HSBC did enough to try to keep Mr G's account safe.

I've reviewed Mr G's statements to compare the scam payments to his genuine account activity. In doing so, I can see that he regularly made genuine international payments of similar values to the scam payments around the time of the scam. I therefore do not think the payment type or the value of the international payments were particularly out of character when compared to his genuine account activity.

There was a gap of around a year between the international payments and the card payments that Mr G made directly to cryptocurrency. It is not clear why there was such a long gap between these scam payments. While payments directly to cryptocurrency can pose a higher risk level, I also have to balance this with the fact that not every payment to a cryptocurrency merchant will be a scam payment. On balance, I think the relatively low value of these payments and sporadic nature of them means they are not suspicious enough to have warranted an intervention by HSBC. I therefore do not think HSBC missed an opportunity to meaningfully reveal the scam at that time.

I can see that once HSBC was made aware of the scam, it attempted to recover the funds, however, none remained. I do not think this is unreasonable considering the time that had elapsed from the scam occurring. I can see that some of the payments were made by card, and the relevant scheme here is the chargeback scheme. The chargeback scheme is voluntary and run by the card issuers and not HSBC. Its purpose is to resolve disputes between merchants and consumers. In this case, Mr G's dispute is with the scammer and not the cryptocurrency merchants, and I note the merchants have provided the service paid for, namely the purchasing of cryptocurrency. So, I agree there was no grounds for HSBC to raise a chargeback claim in the circumstances.

Having carefully considered everything available to me, I think the refund of £17,252.70 that HSBC has already paid Mr G is fair in the circumstances, and I do not recommend that it increases this amount.

My final decision

I do not uphold Mr G's complaint against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 12 September 2025.

Rebecca Norris

Ombudsman