

The complaint

Mrs S complains that HSBC UK Bank Plc (HSBC) is refusing to refund her the amount she lost as the result of a scam.

Mrs S is being represented by a third party. To keep things simple, I will refer to Mrs S throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mrs S has told us that she saw an advertisement for an investment opportunity with a company I will call "X". X appeared to be endorsed by two well-known celebrities.

Mrs S signed up to the investment and was guided by X to make payments. Having made the first two payments totalling £5,100 Mrs S was advised that she would have to pay a fee to withdraw her profits. The account appeared to have a significant balance.

Mrs S asked X to take the fee from the profits but was told this was not possible. Mrs S made the payment as requested but was unable to access the funds and it was clear she had fallen victim to a scam.

Mrs S has disputed the following payments:

Payment	Date	Payee	Payment Method	Amount
1	7 June 2022	Payward Ltd	Transfer	£100
2	8 June 2022	Payward Ltd	Transfer	£5,000
3	19 July 2022	Payward Ltd	Transfer	£4,926

Our Investigator considered Mrs S' complaint and didn't think it should be upheld. Mrs S disagreed, so this 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.

It has not been disputed that Mrs S has fallen victim to a cruel scam. The evidence provided by both Mrs S and HSBC sets out what happened. What is in dispute is whether HSBC should refund the money Mrs S lost due to the scam.

Recovering the payments Mrs S made

Mrs S made payments in relation to the scam via transfer. When payments are made via transfer HSBC has limited options available to it to seek recovery. In my experience scammers tend to move funds on very quickly having received them, considering Mrs S

didn't make HSBC aware of the scam until around two years after the payments were made, I think it's very unlikely that any recovery attempts would be successful.

Mrs S also made the payments to a cryptocurrency exchange. These payments were likely made in exchange for cryptocurrency, and it took further steps for those funds to be sent to the scammer, so it would not be possible to recover these payments even if they had been reported to HSBC sooner.

Should HSBC have reasonably prevented the payments Mrs S made?

It has been accepted that Mrs S authorised the payments that were made from her account with HSBC, albeit on X's instruction. So, the starting point here is that Mrs S is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether HSBC should have been aware of the scam and stepped into question Mrs S about the payments she was making. And if it had questioned Mrs S, would it have been able to prevent the scam taking place.

Other than payment 2 the other payments Mrs S made in relation to the scam were not of such a high value that I would have expected them to have caused HSBC concerns that Mrs S might have been at risk of financial harm.

HSBC did intervene when Mrs S made payment 2 for the higher value of £5,000. HSBC was able to verify it was Mrs S that had made the payment and that it was being made to another of Mrs S' own accounts. Mrs S also confirmed that the previous payment she had made to the same account had been received. HSBC provided information about several scams it was seeing an increase of at the time. HSBC also asked Mrs S if she wanted more time before making the payment which she declined.

Considering the time Mrs S was making the payment, and the value of it, I think the intervention provided by HSBC was proportionate to the risk associated with it, and I don't think HSBC was required to do anything more.

As I don't think HSBC did anything wrong it is not required to refund Mrs S' loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 28 August 2025.

Terry Woodham
Ombudsman