

The complaint

Mr O complains that HSBC UK Bank Plc (“HSBC”), have failed to refund money that he lost as part of an investment scam.

What happened

Mr O says he came across a company that purported to be an investment firm, but he says it was actually a scammer that I will call C. Mr O was persuaded to make a number of payments from his HSBC account to a crypto exchange. Mr O says that the funds were converted into crypto and were then sent to C.

Mr O tried to withdraw the “profits” that he had made and was unable to do so. It was at this point that he realised he had been scammed.

Mr O raised a complaint with HSBC, as he believed that it should have stopped him from making the payments in question.

One of our investigators looked into this matter and they did not uphold this complaint. They believed that Mr O had not sufficiently demonstrated his loss.

Mr O did not agree with these conclusions. So his complaint has been passed to me to issue 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons.

In broad terms, the starting position is that HSBC is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer’s account.

Taking into account relevant law, regulators’ rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that HSBC should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so, given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;

- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice HSBC sometimes does including in relation to card payments);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

Firstly, I don't think that the payments were sufficiently unusual to have prompted an intervention from HSBC. They were not individually large enough and did not form a pattern that was indicative of someone being scammed. I note that a large payment of £7,000 was made on 28 March 2022 to a crypto exchange and usually this would prompt an intervention. But Mr O had made a number of payments by this point to crypto exchanges, apparently without any issues, some of which Mr O now says were not part of this scam. I also note that he had received a credit from this particular crypto exchange of over £4,000 a few weeks prior to this payment.

So I'm not persuaded there was anything that ought reasonably to have triggered HSBC's fraud monitoring systems, or that would have indicated he was in the process of being scammed. I therefore do not consider there to have been any obligation on HSBC to have intervened.

In addition, I am also not satisfied that Mr O has sufficiently evidenced that he suffered a loss or that he was in fact scammed. Firstly there is very limited correspondence between Mr O and the company that scammed him. I also note that he said he did not receive returns from the scam, but I can see that he received a significant amount of credits back from crypto exchanges during and after the scam. This inconsistency makes it very difficult for me to know what the truth is here. Especially given the very limited evidence of the scam itself and because we have not been provided evidence of withdrawals from the crypto exchanges.

So given the lack of evidence that Mr O has provided, I don't think it's reasonable to say that any redress should be paid to him in the circumstances, even if I thought that there were shortcomings in what HSBC did.

I've also thought about whether HSBC did enough to attempt to recover the money Mr O lost. In this instance the transfers would not be covered by the Contingent Reimbursement Model ("CRM") as the payments were made to an account in his own name. So overall I don't think that HSBC could have recovered any of the funds.

I appreciate this will likely come as a disappointment to Mr O; however, I'm not persuaded that HSBC can fairly or reasonably be held liable for the losses that he says he experienced in these circumstances.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 23 July 2025.

Charlie Newton
Ombudsman