

## **The complaint**

Miss C complains that HSBC UK Bank Plc didn't do enough to protect her from the financial harm caused by an investment scam, or to help her recover the money once she'd reported the scam to it.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In April 2022, Miss C was introduced by her father to Company F, and someone who claimed to work for F assisted her to open account with a trading platform, which I'll refer to as "V".

Miss C was satisfied the platform appeared professional and legitimate, noting it featured live graphs and customer testimonials. In addition, her father had researched the investment online, noting it had a substantial online presence and that there was no negative information. He also believed that his friend had made returns from his investment.

Between 6 April 2022 and 16 September 2022, Miss C made three debit card payments to V totalling £23,000. She made a withdrawal of £5,000 on 24 May 2022, she could see her profits on the trading platform, and she remained in regular contact with the broker. But she began to suspect she'd been scammed in November 2022 when she was unable to make a withdrawal, and she was unable to access the platform.

Miss C complained to HSBC with the assistance of a representative, arguing that it had multiple opportunities to stop the payments. But it refused to refund any of the money she'd lost. It said Miss C was paying an account in her own name, V was a genuine platform, and F was registered on Company's House, but was longer trading.

Miss C wasn't satisfied and so she complained to this service with the assistance of her representative who argued that the payments were unusual compared to the usual activity on her account, and HSBC should have questioned her about the payments.

They further commented that Miss C's due diligence had yielded no red flags, and the gradual build-up of trust, combined with the initial success of the investments, led her to believe the investment was genuine, as did the fact the website displayed numerous testimonials and success stories, and she had the ability to log into her trading account and monitor her investments in real-time. They also argued that the promised returns were realistic, she was able to make a withdrawal, and she didn't receive any alerts or warnings from HSBC.

Responding to the complaint, HSBC reiterated that there was no evidence that Miss C had been the victim of a scam, and that she didn't report the scam until 2024, so a recovery request would have been unsuccessful.

Our investigator didn't think the complaint should be upheld. He explained that Miss C had withdrawn £5,000, and she had access to and was in control of the platform. He'd searched the Investor Alerts Portal of the International Organization of Securities Commissions ("IOSCO"), and the Financial Conduct Authority ("FCA") website, and there were no warnings. He also googled F and was satisfied that it had been incorporated as a business. He concluded that there wasn't enough evidence to conclude that Miss C had been scammed, and that it was more likely a bad investment which had not yielded the expected returns. So, he didn't think HSBC had acted unfairly or unreasonably by not intervening. And he didn't think a recover request would have been successful.

Miss C's representative has asked for the complaint to be reviewed by an Ombudsman arguing that she'd indicated at the start of the investment that she wouldn't be willing to invest without an assurance of being able to withdraw the funds. They've also argued that the messages between Miss C's father and the scammer show that communication ceased following the deposit of funds, which is a red flag, as is the fact that the communication took place via WhatsApp.

### **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 conclusion as our investigator. And for largely the same reasons. I know Miss C feels strongly about this complaint, and this will come as a disappointment to her, so I'll explain why.

I'm satisfied Miss C 'authorised' the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although he didn't intend the money to go to scammers, under the Regulations, and under the terms and conditions of his bank account, Miss C is presumed liable for the loss in the first instance.

Not every complaint referred to us and categorised as an investment scam is in fact a scam. Some cases simply involve high-risk unregulated investments that resulted in disappointing returns or losses. Some of these investments may have been promoted using sales methods that were arguably unethical and/or misleading. However, while customers who lost out may understandably regard such acts or omissions as fraudulent, they do not necessarily meet the high legal threshold or burden of proof for fraud, i.e. dishonestly making a false representation and/or failing to disclose information with the intention of making a gain for himself or of causing loss to another or exposing another to the risk of loss (Fraud Act 2006).

There were no warnings about either company on either the Financial Conduct Authority ("FCA") or International Organisation of Securities Commissions ("IOSCO") websites. And the information online suggests that V is a legitimate platform which is regulated overseas, and that F was registered on the Companies House website but is no longer trading. So, there is no evidence that either company was operating a scam. In addition, some of the standard red flags were missing including the way Miss C found out about the investment, and the fact the promised returns weren't unrealistic. She also made a withdrawal of £5,000 in May 2024, which isn't consistent with the investment being a scam. So, having considered the circumstances, I'm not satisfied that Miss C has shown that she was the victim of a scam and so I can't conclude that HSBC needed to do anything to prevent her loss.

### *Recovery*

Because Miss C made the payments in 2022 and didn't report the scam until 2024, I'm satisfied that there would have been no prospect of a successful recovery.

### *Compensation*

I haven't found any errors or delays to HSBC's investigation, so I don't think Miss C is entitled to any compensation.

I'm sorry to hear Miss C has lost money and the effect this has had on her. But for the reasons I've explained, I can't fairly tell HSBC to do anything to resolve this complaint.

### **My final decision**

For the reasons I've outlined 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 Miss C to accept or reject my decision before 27 October 2025.

Carolyn Bonnell  
**Ombudsman**