

The complaint

Mr E complains HSBC UK Bank Plc (“HSBC”) didn’t do enough to protect him when he fell victim to a scam.

What happened

Both parties are familiar with the circumstances of the complaint, so I’ll only summarise the details here.

Mr E said he registered his interest in a cryptocurrency trading firm. He said he was sent literature from the firm and spoke with an agent over the phone. Mr E said he understood there would be a “no risk” trial period and he could expect profits of 10% a month. He had access to a trading platform. Mr E invested £1,000 on 2 March 2022 and said after being shown the withdrawal process and seeing his profits increase, he decided to invest further and invested £10,000 on 27 June 2022.

Mr E said when he requested to withdraw funds there were several issues. He said communication with the scammer reduced and he found negative reviews online. This is when he realised it was a scam.

Mr E complained to HSBC, and his complaint wasn’t upheld. Unhappy with HSBC’s response, Mr E raised the matter with the Financial Ombudsman Service. One of our Investigators looked into the complaint and didn’t think HSBC needed to reimburse his funds.

As an 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.

I’m sorry that Mr E has been the victim of a scam. I realise he’s lost a significant sum of money and I don’t underestimate the impact this has had on him. And so, I’d like to reassure him that I’ve read and considered everything he’s said in support of his complaint. But I’ll focus my comments on what I think is relevant. If I don’t mention any specific point, it’s not because I’ve failed to take it on board and think about it, but because I don’t think I need to comment on it to reach what I think is a fair and reasonable outcome. I know this will come as a disappointment to Mr E but having done so, I won’t be upholding his complaint. I’ll explain why.

In broad terms, the starting position at law is that banks and other payment service providers are 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.

Mr E authorised the payments in question here – so even though he was tricked into doing so and didn't intend for his money to end up in the hands of a scammer, he is presumed liable in the first instance.

But as a matter of good industry practice, HSBC should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: as while banks and Electronic Money Institutions (EMIs) should be alert to fraud and scams to act in their customers' best interests, they can't reasonably be involved in every transaction.

I've thought about the Contingent Reimbursement Model which HSBC is a signatory of. The code doesn't cover international payments and so isn't relevant here as the payments Mr E made were international.

I've thought about whether HSBC acted fairly and reasonably in its dealings with Mr E when he made the payments, or whether it should have done more than it did. In doing so I've considered what HSBC knew about the payments at the time it received Mr E's payment instructions and what action, if any, HSBC took prior to processing the payments.

I don't think HSBC ought to have been concerned when Mr E made the first payment. The value wasn't excessive, and I've reviewed his account statements and think the payment is in-line with how he typically used his account.

I'm satisfied the second payment ought to have been a concern for HSBC as it was for significantly more than the first, was out of character for how Mr E typically used his account and therefore carried a heightened risk that Mr E was potentially at risk of financial harm from fraud.

HSBC displayed a warning prior to processing the payment. This warning was based on the payment purpose being "investing" and so was tailored to the scam Mr E was falling victim to. It began by stating "Fraud alert" and "This could be a scam" and went on to say if a customer has been told to mislead HSBC about the reason for the payment it would be due to a scam.

Under the heading "What you need to do before making the payment" it listed actions for a customer to take to ensure they'd done their due diligence into the investment and its legitimacy prior to making the payment. These actions were not to proceed if a customer has been cold called or is being pressured to make the payment. To check the company is genuine, authorised by the Financial Conduct Authority (FCA) and doesn't appear on the FCA's Cloned Firms page. To check the person a customer is dealing with is a genuine representative of the company. For cryptocurrency investments to make sure a customer is paying the provider directly. It also suggested the use of an independent adviser if the customer is unsure. The warning also points a customer to HSBC's fraud centre for guidance on how to carry out these checks. It ends with a warning that if the customer continues they are agreeing that they've read the warning and accept HSBC may not be able to recover the payment if it is sent to a fraudster. The warning didn't positively impact Mr E and he continued to make the payment.

On balance, I think the tailored warning likely didn't resonate with Mr E as he wasn't being pressured and hadn't been cold called. The communication with the scammer was via email and he'd been given literature on the supposed investment company which will have added legitimacy to the opportunity.

I think the tailored warning as described was proportionate to the risk the payment presented in 2022. It could be argued that HSBC should have intervened directly with Mr E, and I'm not saying it should, but I've considered this and I don't think it would have made a material difference if it had. At the time the second payment was made I would have expected HSBC to cover off the topics above and suggest Mr E carry out further checks which is what the tailored warning did.

I'm sorry to disappoint Mr E further, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think HSBC needs to refund his money or pay any compensation. I realise this means Mr E is out of pocket and I'm really sorry he's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

Recovery

I've thought about whether there's anything else HSBC could have done to help Mr E — including if it took the steps it should have once it was aware that the payments were the result of fraud.

Scammers typically move money on quickly to avoid having it returned to their victims and Mr E contacted HSBC about the scam in 2024. Given the time between the payments being made and the fraud being reported to HSBC, I don't think there was much chance of successful recovery of his funds.

My final decision

My final decision is that I do not uphold this complaint against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 6 October 2025.

Charlotte Mulvihill
Ombudsman