

## The complaint

Mr P complains that HSBC UK Bank Plc didn't do enough to protect him from an investment scam.

## What happened

Between July and October 2021, Mr P made twelve Faster Payments from his HSBC current account to "Foris DAX MT Limit" – a payment service provider which operates the cryptocurrency platform crypto.com. The total sent was £12,060.

Mr P explained he had been persuaded to invest after seeing an advert on social media. He was directed to a trading platform and told to fund his trading account by transferring money into his own crypto.com wallet, from where the scammers instructed him to send it onwards. He believed his funds were being invested, but when he later attempted to withdraw his money, the scammer gave reasons why it would take some time to deal with his request. Contact then ceased and the website disappeared.

Mr P's representatives complained to HSBC in October 2024, some time after the scam had occurred. They said HSBC had failed to protect Mr P from the scam.

HSBC said it did intervene on the first payment and sent an interactive message to Mr P, asking what the payment was for on 22 July 2021. Mr P selected "friends and family" as the payment reason. HSBC said it gave a warning about this and advised him the Confirmation of Payee check could not be confirmed. Despite this, Mr P went ahead and then made several payments to the same company, establishing it as a low-risk payee. HSBC said it did not need to make any further interventions as there was no unusual account activity. It did not think it had made an error.

Mr P didn't agree and referred his complaint to our service.

The investigator looked into Mr P's complaint and didn't uphold it. He said he didn't think HSBC should reasonably have been expected to prevent the scam. He wasn't persuaded the payments carried a heightened risk of financial harm and didn't think HSBC needed to make any interventions after the first payment. He said the payee had been established, and at that time HSBC wouldn't have treated payments to cryptocurrency exchanges as carrying a heightened risk.

Mr P's representatives said HSBC ought to have intervened on 8 September 2021, when he made three payments in one day totalling £5,900. They argued this represented an unusual increase in both value and frequency and that reasonable intervention would have uncovered the scam. They asked for 50% reimbursement of the final payment made that day of £2,610, along with every payment after that. They said if HSBC had intervened at this point, it would have uncovered the scam, warned Mr P, and he wouldn't have made any further payments.

The investigator did not agree. He said the payments did not appear unusual in the context of Mr P's account history, the payee had been established, and in 2021 payments to crypto platforms were not treated as inherently higher risk than they are today.

Mr P disagreed and asked for an ombudsman to look into his complaint, so it has been referred to me.

### **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 position in law is that Mr P is responsible for the payments he made. And HSBC has a duty to make the payments he tells it to.

But as supported by the terms of the account, that doesn't preclude HSBC from making fraud checks before making a payment. And, considering regulatory expectations and good industry practice, I'm satisfied that it should fairly and reasonably do this in some circumstances.

HSBC was signed up to a voluntary code called the Contingent Reimbursement Model (CRM) at the time Mr P made these payments. But the code, most likely, doesn't apply in this case as Mr P made payments to an account in his own name – something the code doesn't cover.

The first payment to Foris DAX in July 2021 was accompanied by an interactive scam message and a Confirmation of Payee check. I can see that Mr P selected the reason "friends and family" and was given an associated scam warning about that. He received this and another message about checking the payee details, but he chose to go ahead anyway and establish this payee for future use.

As to the later payments, HSBC didn't carry out any interventions, so I've looked into this further. I started by looking at Mr P's account history over the 12 months before the scam. I can see he had made other payments in the hundreds and low thousands – for example, £1,603 in May 2020, £1,100 in October 2020, and £1,300 in November 2020. He also made multiple payments on the same day on occasion.

I have looked through the nature of these payments and can see on a couple of occasions Mr P made them under the reference of "friend(s)". So, I don't think it would have seemed out of place or unusual for him to make payments to a payee he had told HSBC was for the purpose of sending money to friends and family.

I can't be sure if HSBC understood that Foris DAX MT Limit was linked to cryptocurrency at the time of the payments, as it wasn't FCA-registered until August 2022. But by 2021, there were already warnings by Action Fraud and the FCA about cryptocurrency-based scams, so on balance it is more likely than not HSBC would have been aware it was a crypto-related entity. That said, this does not alter my conclusion.

Mr P had established the payee details after receiving a warning about scams and a Confirmation of Payee check. There were then several payments that were in keeping with the sort of spend he was making on his account. On 8 September 2021, he then made over £5,900 of payments, but these were to the same established payee, and not far above the amounts he had occasionally been making on his account. I don't think they represented

uncharacteristic behaviour or a pattern, at least not enough that it ought to have warranted a further check or intervention by HSBC.

I'm not persuaded HSBC acted unfairly or unreasonably by not intervening further in any of the payments after the first one. It provided a warning and confirmation check on the first payment, and I don't think the subsequent pattern and value of payments required further action.

I appreciate Mr P has suffered a significant loss to a cruel scam and I am sorry this has happened to him. But I don't find HSBC should have done more to prevent it. Therefore, it follows that I don't uphold his complaint.

### **My final decision**

For the reasons I've explained, I don't uphold Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 13 October 2025.

Mark Richardson  
**Ombudsman**