

The complaint

Mr H complains that HSBC UK Bank Plc won't refund the money he lost as a result of a scam.

The complaint is brought on Mr H's behalf by a professional representative.

What happened

The 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.

Mr H was introduced by someone he knew to an investment firm that I will refer to as "K". Mr H has advised that he spent several months researching before making a decision to invest with K. He also attended an in-person event and was able to discuss the investment with others. Thinking this was a genuine investment Mr H then purchased a series of "packages" which went towards the purchase of 6,078 grams of gold and cryptocurrency. He sent K the following payments from his HSBC account.

Payment number	Date	Amount
1	26 February 2019	£44,186.01
2	26 February 2029	£133,895.20
3	11 March 2019	£442,764.56
Total loss		£620,845.77

Mr H advises he was expecting a regular income from his purchase, but this did not materialise. Mr H realised he had been scammed when information began to circulate online that this was a ponzi scheme.

Mr H raised a complaint with HSBC in May 2024. HSBC investigated the complaint but didn't uphold it. It didn't think it had done anything wrong by allowing the payments to go through. So, Mr H brought his complaint to our service.

Our Investigator looked into the complaint but didn't uphold it. In summary, our Investigator thought HSBC should have questioned Mr H more about the payments, but he wasn't persuaded that an intervention would have made a difference.

Mr H's complaint has now been passed to me for review and a 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 very aware that I've summarised this complaint and the relevant submissions briefly, in much less detail than has been provided, and in my own words. No discourtesy is intended by this.

Instead, I've focussed on what I think is the heart of the matter here. As a consequence, if there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I consider is the right outcome. Our rules allow me to do this, reflecting the informal nature of our service as a free alternative to the courts.

As such, the purpose of my decision isn't to address every single point raised. My role is to consider the evidence presented by the parties to this complaint, and reach what I think is an independent, fair and reasonable decision, based on what I find to be the facts of the case. For the avoidance of doubt, in doing so, I have carefully reviewed everything submitted by Mr H.

In line with the Payment Services Regulations 2017, consumers are generally liable for payments they authorise. HSBC is expected to process authorised payment instructions without undue delay. But it also has obligations to help protect customers from financial harm from fraud and scams. Those obligations are however predicated on there having been a risk of loss to a fraud or scam present.

I think it's important to note here that although Mr H has provided some testimony about how he became involved in the scam, we've not been provided with any other evidence to show that he was caught up in this scam, such as evidence of his communications with the scammer or any contracts relating to the investment. His representative has provided us with some generic information about it, but it doesn't link Mr H to the scam or demonstrate that he was a victim of it. Generally, I would expect to see some more evidence to link the disputed payments to a scam, before considering if HSBC should have done anything else to intervene in the payments.

However, I don't think this makes a difference to the outcome of Mr H's complaint because, like the Investigator, I don't think an intervention from HSBC would have made a difference to Mr H's decision to invest. So, I'm going to proceed on the basis that Mr H did suffer a loss to the scam he's described.

Based on Mr H's previous account activity I can see why HSBC didn't intervene on Payment 1. This payment did not drain the account and wouldn't have stood out as unusual, so I don't think it required intervention. HSBC did have a call with Mr H on Payment 2 and required him to attend branch on Payment 3. There is limited information on Mr H's branch visit which is understandable given that the payment was made in 2019 and a complaint wasn't raised until more recently. But given the value, destination and purpose of these payments I would have expected HSBC to ask appropriate questions to establish whether there was a risk that Mr H was falling victim to a scam and take appropriate steps to warn him.

Where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in light of the available evidence and the wider surrounding circumstances. However, I don't believe a warning would have impacted Mr H's decision to make the payments. And on the balance of probabilities, I don't think the scam would have been uncovered. I have highlighted my main points below:

- Mr H has advised he was looking into the investment for several months. He advised in his calls that he was doing as much due diligence into K as possible. So, HSBC would reasonably assume that he had thoroughly researched its legitimacy and was

satisfied with the information he had found. And if questioned further on this point it's likely he would have provided more details on the research he had done.

- Mr H was asked about details on K when making Payment 2 and he advised he was provided with the information from someone he knew who was already dealing with K. So, I think HSBC would have been reassured by this information. It's likely that Mr H had discussed the investment with this person so if questioned he would have provided details on this.
- Mr H advised he attended an in-person event in March 2019 which was attended by thousands. This would have given him confidence that this was a genuine investment. He met several other investors and discussed it with others who also agreed it was a legitimate investment. Mr H also saw the owner of K face to face. Customers do not typically meet with scammers so if HSBC were made aware that a meeting had taken place, it would likely have had fewer concerns about the investment.
- Mr H described the event as having an "optimistic tone". It's clear that it had a positive impact on him and he invested shortly after it. So if questioned it's likely he would have shared how he felt about it with HSBC and why he thought the payments should go ahead.
- If HSBC had asked further details on K and researched the company it's unlikely to have found any negative information on it at the time. K was an established company and had traded for several years before Mr H made his payments. It's unusual for a scam company to be operating for an extended period, so any research HSBC may have done at the time is unlikely to have found negative information on K.

It's clear that Mr H was under the spell of the scammers, likely because of the large profits he had been promised and the way the scammers had manipulated him. As a result, he was willing to part with a significant sum of money.

So, on balance, for the reasons described above, I don't believe a warning would have impacted Mr H's decision to make the payments. And even if HSBC had provided a warning highlighting the risks associated with investment scams, I don't think that it would have resonated with him. On balance, I believe he would have continued to make the payments.

Taking all of this into consideration, I don't think HSBC ought to have done more before following the instructions Mr H gave.

Could HSBC have recovered Mr H's funds?

There are industry standards around attempting recovery of funds where a scam is reported. So, I've also thought about whether HSBC could have done more to recover the funds after Mr H reported the fraud. But there was a significant delay in reporting the scam so I don't think there was anything further I would have expected HSBC to have done.

My final decision

For the reasons I've explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 October 2025.

Aleya Khanom
Ombudsman