DRN-5330394

The complaint

Mr C complains that HSBC UK Bank Plc won't refund money he said he lost to a scam.

What happened

In summary, In July and August 2024 Mr C made payments of approximately £3,132.42 towards what he thought was a legitimate cryptocurrency investment. He said he was added to a group chat on a messaging service. The group offered trading opportunities with high returns. He realised it had been a scam when he attempted to withdraw funds from the investment and was asked to pay additional fees in order to do so. He raised the matter with HSBC but it didn't refund his losses or uphold his complaint.

Our investigator didn't think the complaint should be upheld because she didn't think the payments carried a heightened risk of financial harm from fraud. Our investigator also said she didn't think HSBC missed an opportunity to identify the payments were being made in relation to a scam.

Mr C didn't accept what our investigator said and as such, 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 recognise that I have summarised this complaint in much less detail than has been provided by both parties. I want to reassure Mr C that I have taken his detailed submissions into consideration and if I haven't mentioned something it isn't because I've ignored it. I haven't. Rather, I've focussed on setting out what is key to my decision.

I understand that Mr C has been the victim of a very cruel and sophisticated scam and I'm sorry he has lost a considerable sum of money. However, I must put aside my feelings and consider his complaint impartially. Having done so, I agree with the outcome the investigator reached and for similar reasons. I know this will be disappointing to Mr C but I'll explain my reasons why.

Taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, HSBC should take steps to identify and where possible prevent sufficiently unusual or uncharacteristic payments to help protect its customers from financial harm resulting from fraud.

Even so, I think it is important to also highlight that there are many payments made by customers each day, and it is not reasonable to expect the bank to stop and check every payment instruction to try to prevent fraud or financial harm. There's a balance to be struck between the extent it intervenes in payments to protect customers, and not unnecessarily disrupting legitimate payment instructions. And while banks ought to be aware that cryptocurrency related transactions carry a greater risk of fraud, that does not mean that all payments for the purchase of cryptocurrency are in fact fraudulent.

Having reviewed Mr C's account activity, I don't find any of the payments were sufficiently uncharacteristic or unusual for them to have caused HSBC concern. I say this because I noted there were payments made of similar value in the 12 months prior to the scam. The payments were not made in quick succession which commonly occurs where a scam is involved, rather the payments were made over a period of two weeks, and there was usually a day or more between transactions.

When considered in the context of the vast number of payment instructions HSBC receives, I don't find any of the payments were of significant value to have raised suspicions. Given the circumstances, I do not think there was enough here to raise concern that Mr C might be at an increased risk of financial harm and to have triggered Revolut's fraud prevention systems.

As the payments were made to a legitimate merchant and a service provided, I am not persuaded there were any prospects of recovery.

I have thought carefully about everything that happened, I understand these have been challenging times for Mr C and the loss is significant to him. I sympathise, but for the reasons I've given, I don't find HSBC is responsible for his loss.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 26 September 2025.

Oluwatobi Balogun
Ombudsman