

The complaint

Mr and Mrs A complain that HSBC UK Bank Plc (“HSBC”) won’t refund money they lost to an investment scam.

Mr and Mrs A are being represented by a claims management company.

What happened

Between August 2021 and March 2022, Mr and Mrs A made eight card payments totalling just over £25,000 to a cryptocurrency provider from their joint HSBC account. The payments were made in connection with an investment opportunity that Mr and Mrs A were introduced to by people they met through a shared community who had already been investing for around a year by that point. Mr and Mrs A received six returns totalling just shy of £4,550 from their investment – the bulk of this was in March 2022. But then the returns stopped. Mr and Mrs A contacted HSBC in late 2024 and made a scam claim for the funds lost.

HSBC declined to refund the payments and said it considered the matter to be a private civil dispute. In response to our request for its complaint file, the bank acknowledged that Mr and Mrs A could have been scammed given the publication of regulator warnings about the firm involved. But it didn’t think any intervention would have stopped them given the returns received.

Our investigator thought that HSBC should have provided a scam warning by the time the third payment was authorised. But they were satisfied that Mr and Mrs A would have still wanted to go ahead with the payment. The investigator noted that a simple internet search at the time would have brought up a scam warning published by the Financial Conduct Authority (FCA) from nearly two years prior. So, if Mr and Mrs A had researched the firm online as they claimed, the warning would have been visible. The investigator also noted that the instant messaging correspondence with the people that introduced them to the investment showed Mr A had questioned them about a warning he’d seen about the firm on its Trustpilot page. He accepted the response and decided to go ahead without carrying out any independent research.

Mr and Mrs A didn’t agree and asked for the matter to be reviewed by an ombudsman.

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’d like to start by thanking all parties for their patience while awaiting an ombudsman’s decision.

At this point, it’s accepted that Mr and Mrs A were victims of a scam. It’s very unfortunate that they have lost money. But HSBC doesn’t automatically become liable to reimburse them.

Under regulations and in accordance with general banking terms and conditions, banks should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. There's no dispute that Mr and Mrs A made the payments, and so they are authorised.

But in accordance with the law, regulations and good industry practice, a bank should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert it to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

I've reviewed Mr and Mrs A's account activity and the payments they made to the scam. I don't consider the first two payments suspicious to the point that HSBC ought to have taken additional steps before processing them. Having reviewed their response to the investigator's assessment, it seems Mr and Mrs A agree. By the time they authorised the next payment, the bank ought to have recognised that it carried a heightened risk of financial harm from fraud. This is because a pattern of increased activity on cryptocurrency spending had emerged. I accept that at the time of this payment, HSBC may not yet have had a warning specific to cryptocurrency investment scams. But it ought to have provided a scam warning about investment scams in general, tackling some of the key features, which had similarities to investment scams involving cryptocurrency.

Had it done so, I'm not persuaded that it would have prevented Mr and Mrs A's loss. This is because, on balance, I don't think they would have carried out independent research into the firm in question. I say this because when Mr A first noticed warnings on Trustpilot, he contacted the people from his community who had introduced the investment opportunity. Mr A's message suggests he'd read customer reviews, not just Trustpilot's review of the firm. There were several reviews which said the firm was operating a scam. Some reviews also referred to warnings published by regulators, including the one published by the FCA. It seems to me that Mr and Mrs A trusted people from their shared community despite awareness of this information. Having reviewed the available information, on the balance of probabilities, I'm not persuaded that the bank's warning to check the FCA Register would have led them to take a different course of action. In other words, I think it's more likely than not that they would have sought reassurances from the people in their shared community. I think it's also worth adding that Mr and Mrs A would likely have felt reassured that they hadn't been contacted out of the blue or promised unrealistically high returns.

Recovery wise, as the payments were made using a debit card, given the time between the payments and when the scam was reported, Mr and Mrs A would have been outside the time limits to make a chargeback claim. Even if the time limit was complied with, the merchant they paid (the cryptocurrency exchange) did provide the service, i.e., provision of cryptocurrency in exchange for fiat funds. So, recovery is unlikely to have been successful.

In conclusion, while Mr and Mrs A have undoubtedly been the victim of a cruel scam, I'm not persuaded that any failure on HSBC's part is the proximate cause for their loss. I fully acknowledge that they have lost a lot of money. But having considered the matter very carefully, for the reasons given, it wouldn't be fair of me to hold the bank responsible this.

My final decision

For the reasons given, 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 A and Mrs A to accept or reject my decision before 22 October 2025.

Gagandeep Singh
Ombudsman