

### The complaint

Mr T complains that HSBC UK Bank PLC won't reimburse him after he fell victim to a job scam.

Mr T is professionally represented in bringing his complaint, but for ease of reading I'll refer to all submissions as being made by Mr T directly.

### What happened

Mr T has explained that he saw a job advertisement on social media and left his details to be contacted on. Mr T was contacted via instant messaging, advising him there was a position available in cruise ships reviews. Mr T was told to create an account on the firm's platform to complete his work. Unknown to Mr T at the time, he was unfortunately corresponding with a fraudster.

Mr T has explained that while completing work tasks, his account balance on the platform would go into a 'negative' amount and he would have to top it up. It appears from the evidence provided that Mr T did so by purchasing cryptocurrency via peer-to-peer lending. When Mr T made the final payment to the scam and didn't receive his commission as expected, Mr T realised he'd fallen victim to a scam and contacted HSBC to raise a claim.

In total, Mr T made the following payments, each to a new beneficiary:

Date	Value
30/03/2024	£190
30/04/2024	£520
02/04/2024	£559
07/04/2024	£585
09/04/2024	£539
15/04/2024	£190
23/04/2024	£997
25/04/2024	£250
09/05/2024	£570
14/05/2024	£770
14/05/2024	£1,005

16/05/2024	£890
18/05/2024	£375
01/06/2024	£998
01/06/2024	£520
01/06/2024	£508
08/06/2024	£550
08/06/2024	£164
08/06/2024	£125

HSBC investigated Mr T's complaint but didn't uphold it. It didn't consider the payments were so out of character that it was required to intervene prior to processing them. It also said that it asked Mr T for each payment what the purpose of the payment was and that each time Mr T selected 'friends and family' despite this not being an accurate reason. However, HSBC was able to recover £112.22 of Mr T's funds.

Mr T remained unhappy and referred his complaint to our service. An investigator considered Mr T's complaint but didn't uphold it. He didn't think the payments were so out of character that HSBC ought to have intervened further than it did, prior to processing the payments.

Mr T disagreed with the investigator's view. He said that multiple payments on one day ought to have alerted HSBC that something may be amiss, particularly given the rise in recent years in cryptocurrency scams. He also said he was vulnerable at the time of the scam as he had only been living in the United Kingdom for around two years and had no family or friends with him. As Mr T disagreed, the complaint has been referred 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.

In broad terms, the starting position in law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

However, where the customer made the payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payment.

At the time of these payments, HSBC was a signatory of the Lending Standards Board's Contingent Reimbursement Model (the CRM Code). This required firms to reimburse customers who have been the victim of certain types of scams, in all but a limited number of circumstances. But the Code does not cover peer-to-peer payments, as these were, where funds were used to purchase cryptocurrency. I've therefore considered whether HSBC should be responsible for Mr T's losses for any other reason.

I've thought about whether HSBC ought to have had concerns about Mr T's account activity. I accept this is quite finely balanced – the payments were generally of a lower value and so wouldn't have appeared as overly unusual to HSBC, and the payments weren't in quick succession. While some payments were made on the same day, there were other periods of no scam activity for a week or more. There was also no pattern in the payments, such as an increase in payment value over time. However, I do accept the sheer number of new payees was unusual in comparison to Mr T's account activity.

Overall, I don't think the pattern is so unusual that I can conclude HSBC was unreasonable in not intervening. However, even if I was to conclude that HSBC ought to have done more, I've thought about whether this would've stopped Mr T from proceeding with the scam and from the evidence available, I don't think it would have.

I can see from screenshots provided showing Mr T's correspondence with the fraudster that when he was provided with a scam warning, he was showing this to the fraudster, who was advising him on how to proceed. Mr T also selected 'friends and family' as the payment reason for each payment, which indicates that even if HSBC had contacted Mr T to further question him, he wouldn't have provided the genuine reason for making the payments. Mr T also explained to HSBC when raising the claim that he picked 'friends and family' as a payment purpose in order to stop payments being delayed by HSBC for checks, as he wanted to make the payments urgently. Mr T has also said that he didn't read any warnings provided by HSBC as he felt rushed to make payments, so any further written warnings from HSBC wouldn't have impacted his decision to proceed.

As payments would have appeared to HSBC as being made to individuals, rather than clearly being made to cryptocurrency, I think it would've been more difficult here for HSBC to detect the scam Mr T was falling victim to without him being honest about what he was doing – which it doesn't appear he would have been based on the evidence I've set out above.

Therefore, while I'm sorry to disappoint Mr T, I don't think HSBC is liable for his losses and I'm therefore not recommending it reimburses him. As Mr T's payments were made to legitimate peer-to-peer lenders and the scam subsequently happened when Mr T transferred on his cryptocurrency, I also can't say HSBC ought to have taken further steps to recover Mr T's funds.

Lastly, I've thought about Mr T's comments that he was vulnerable at the time of the scam. There is a provision under the CRM Code for reimbursement if a customer is vulnerable to a scam, but as I've set out, these payments aren't covered by the CRM Code. I can also consider any vulnerabilities that HSBC were aware of that ought to have caused them to be more aware that Mr T may be at risk of falling victim to a scam, but I can't see that this was the case here. Therefore, while I'm sorry to hear of Mr T's circumstances, I can't conclude that HSBC missed an opportunity to intervene on this basis.

### **My final decision**

My final decision is that I don't uphold Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 24 October 2025.

Kirsty Upton  
**Ombudsman**