

The complaint

Mr K complains that HSBC UK Bank Plc ('HSBC') won't refund the money he lost to an investment scam.

He's represented by a firm of solicitors. To keep things simple, I'll refer to Mr K throughout this decision.

What happened

The background is known to both parties, so I won't repeat all the details here. In summary, Mr K says he came across an online investment opportunity (I'll call 'X') that was seemingly endorsed by a well-known public figure. He registered his interest and was contacted by an individual he later discovered was a scammer.

As part of the process, he was asked to download an *app* and 'helped' with setting up wallets with legitimate crypto-platforms ('P' and 'C') to facilitate payments. He then sent money for 'investment' with X as instructed by the scammer.

The payments were sent from his HSBC account, between 2 and 21 June 2024, directly to P and C and used to purchase the cryptocurrency that was sent and lost to the scam. Other payments were made from an account he held with another bank ('L'). He says he realised he'd been scammed when he was asked to pay 'fees' to access his money and 'profits'.

A complaint was made to HSBC in October 2024 and then referred to our Service. Our Investigator considered it and didn't uphold it. In brief, she thought HSBC should have gone further than it did when it spoke to Mr K on 21 June 2024. But she wasn't persuaded that a proportionate warning would have likely made a difference to what happened, given Mr K attempted more payments after L had clearly warned him that he was being scammed. And given that HSBC had already refunded (50% of payments made on 21 June 2024) more than she'd have recommended, she didn't think it needed to do more.

As the matter couldn't be resolved informally, it's been passed to me to decide.

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.

Having done so, I've decided not to uphold it for similar reasons as the Investigator.

Authorisation

It's not in dispute Mr K was scammed. It's also not in dispute he authorised the payments from his HSBC account. So, although he didn't intend the money to go to a scammer, under the Payment Services Regulations 2017, Mr K is presumed liable for his losses in the first instance. And as the Supreme Court reiterated in *Philipp v Barclays Bank UK PLC*, banks

generally have a contractual duty to make payments in compliance with the customer's instructions.

Prevention

There are some situations where I consider that a firm (like HSBC) taking into account relevant rules, codes and best practice, should reasonably have taken a closer look at the circumstances of a payment – if, for example, it's particularly suspicious.

In this case, I think it's questionable whether HSBC needed to intervene on the disputed payments given the amounts involved and that, while successive payments to the same payee on the same day can be an indicator of fraud, it's arguable this type of activity wasn't particularly unusual for Mr K's account.

In any event, as referred to by the Investigator, HSBC did speak to Mr K on 21 June 2024 about a payment block. I wouldn't have expected it to have stepped in earlier than that. I'm not persuaded such a suspicious fraud pattern had developed before then and I don't think the amounts involved should have appeared as particularly concerning, considering also the previous spending. HSBC has also already accepted it should probably have gone further with its intervention. And I realise Mr K was upfront about trading cryptocurrency and that he was honest when L questioned him, on the following day, about the wider circumstances.

Even so, I'm still not persuaded it'd be reasonable to conclude a timely and proportionate warning would have made a difference to what happened. I can't overlook that L provided Mr K with clear warnings about what his situation looked like. In a call, on 22 June 2024, Mr K was told he was being scammed. He was given the context as to why that was. He was told the returns he thought he'd made were unrealistic and a clear red flag. It was explained his 'profit' didn't exist and that the scammer would continue to ask him for money. He was told not to engage further. We know that despite this Mr K attempted to make more payments to the same scam, including one in July 2024. I can also see from the scam chat Mr K had developed a significant level of trust in the scammer as the relationship became personal in nature.

In other words, I can accept HSBC's intervention should have gone further than it did. But, as Mr K's representatives will know, that's not enough for me to uphold this complaint. I'd need to be satisfied that proportionate steps would have likely prevented Mr K's losses. On balance, I'm not convinced that's the more likely scenario, again considering Mr K attempted payments and continued to engage with the scammer after receiving clear scam warnings.

As mentioned earlier, HSBC accepted it should have done more. It refunded 50% of the payments Mr K made on the day of its intervention. And I want to add here that I realise Mr K was manipulated by a cruel scammer and that he was a victim in all this. But I don't think it would be fair and reasonable to find HSBC should pay anything more than it has already refunded given that, for the reasons I've explained, it's unlikely it could have prevented *any* of his losses.

Other matters

In terms of recovery, there was little HSBC could have done. All the payments were card payments to Mr K's accounts with P and C. I'm satisfied a chargeback claim was unlikely to have been successful given there's no dispute that P and C, legitimate crypto-platforms, provided their goods and services as intended before the cryptocurrency was lost to the scam. I note, as part of his initial submissions, Mr K also referred to the Lending Standards Board Contingent Reimbursement Model Code (CRM Code). However, as these were card payments and payments to Mr K's own accounts, it doesn't apply here.

My final decision

For the reasons I've given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 14 November 2025.

Thomas Cardia
Ombudsman