

The complaint

Mr N and Mrs S complain that HSBC UK Bank Plc (HSBC) is refusing to refund them the amount they lost as the result of a scam.

Mr N and Mrs S are being represented by a third party. To keep things simple, I will refer to Mr N and Mrs S throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr N was part of a social media group that specialised in finance and shared details of investment opportunities.

Within the group was what appeared to be a well-known financial expert who explained he was available for advice. I will call this person "X". Mr N reached out to X and after receiving advice made an initial payment in relation to an investment X advised him to make.

Mr N saw a return on the investment and was able to make a withdrawal. Confident he was speaking with a genuine well-known expert Mr N continued to make further payments on X's advice.

Mr N attempted to make further withdrawals, but he was unable to make a withdrawal or contact X. Mr N then did some further research and found he was not talking to a genuine person and that X had impersonated the well-known expert. Mr N then realised he had fallen victim to a scam.

Mr N made the following payments in relation to the scam:

<u>Payment</u>	<u>Date</u>	<u>Payee</u>	<u>Payment Method</u>	<u>Amount</u>
1	2 October 2024	Uphold	Debit Card	£2000
2	7 October 2024	Uphold	Debit Card	£1500
3	7 October 2024	Uphold	Debit Card	£1500
	4 November 2024	Uphold	Credit	£1000cr
4	6 November 2024	Uphold	Debit Card	£2000
5	6 November 2024	Uphold	Debit Card	£2000
6	19 November 2024	Uphold	Debit Card	£2500
7	19 November 2024	Uphold	Debit Card	£2500

Our Investigator considered Mr N and Mrs S's complaint and didn't think it should be upheld. Mr N and Mrs S disagreed, so this complaint has 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.

It has not been disputed that Mr N and Mrs S have fallen victim to a cruel scam. The evidence provided by both Mr N and Mrs S, and HSBC sets out what happened. What is in dispute is whether HSBC should refund the money Mr N and Mrs S lost due to the scam.

Recovering the payments Mr N made

Mr N made payments into the scam via his debit card. When payments are made by card the only recovery option HSBC has is to request a chargeback.

However, Mr N didn't make the disputed payments to the scammer directly, instead he made the payments to a legitimate cryptocurrency exchange, likely in exchange for cryptocurrency. As there is no dispute that a service was provided to Mr N and it took further steps for the funds to end up in the hands of the scammer, any attempt to recover the disputed payments would have no prospects of success.

Should HSBC have reasonably prevented the payments Mr N made?

It has been accepted that Mr N authorised the payments that were made from his account with HSBC, albeit on X's instruction. So, the starting point here is that Mr N is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether HSBC should have been aware of the scam and intervened when the payments were made. And if it had intervened, would it have been able to prevent the scam taking place.

The first payments Mr N made were not so significant in value that I think they should have caused HSBC to have concerns. However, when Mr N made payment 3 and payment 7, he was sending more than £3,000 in single day to a known cryptocurrency exchange. Considering the increased risk associated with this type of payment I think HSBC should have had concerns that Mr N and Mrs S could have been at risk of financial harm and it should have intervened.

I think that a proportionate intervention to the risk associated with these payments would have been for HSBC to provide Mr N with a written warning that covered some of the key aspects found in cryptocurrency related scams.

It doesn't appear that HSBC intervened when Mr N made any of the disputed payments, but even if it did provide a warning like that I've explained above, I don't think it would have made a difference, I will explain why.

Mr N and Mrs S have provided a copy on the messages Mr N exchanged with X. It's clear that at the beginning of the scam Mr N and Mrs S had concerns that they didn't want to fall victim to a scam.

Mr N explained that he kept getting emails and messages about crypto scams and was worried about them. X was able to comfort Mr N and talk him into making further payments. I think that had HSBC provided the type of warning I have explained above, it's likely Mr N would have voiced the same concerns to X, and X would have been able to persuade him in the same way it did above. So, I don't think HSBC missed an opportunity to prevent the scam and it is not responsible for Mr N and Mrs S's loss.

Mr N and Mrs S say they HSBC should have intervened further and discussed the payments with them. When family members spoke to them later, they were able to effectively warn Mr N and Mrs S about the potential scam.

I have thought about what Mr N and Mrs S have said but as I've said above, considering the risk associated with the disputed payments, I would have expected HSBC to provide written warnings and not speak to Mr N and Mrs S in person. I don't think this type of warning would have been effective in uncovering the scam. So, this does not change my decision.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N and Mrs S to accept or reject my decision before 28 November 2025.

Terry Woodham
Ombudsman