

## The complaint

Mr S is unhappy HSBC UK Bank PLC will not refund the money that he lost as the result of an authorised push payment (APP) scam.

Mr S brought his complaint to this service through a representative. For ease of reading I will refer solely to Mr S in this decision.

## What happened

As both parties are familiar with the details of the scam I won't repeat them here in full. In summary, Mr S fell victim to a job/task scam. The opportunity was recommended to him by a relative and he was then contacted by the scammer on a messaging app. He was offered the opportunity to complete tasks online (promoting products) to earn commission. He was told that to access the tasks he first needed to deposit funds in cryptocurrency. He made the following faster payments to a digital wallet in his name at a cryptocurrency exchange, and from there onto the scammer:

payment	date	value
1	21-Sep-24	£680
2	21-Sep-24	£500
3	21-Sep-24	£500
4	21-Sep-24	£500
5	21-Sep-24	£500
6	21-Sep-24	£500
7	21-Sep-24	£500
8	21-Sep-24	£500
9	21-Sep-24	£350
10	23-Sep-24	£500
11	23-Sep-24	£500
12	23-Sep-24	£500
13	23-Sep-24	£500
14	23-Sep-24	£300
15	23-Sep-24	£200

Mr S realised he had been scammed when the option to withdraw his commission was blocked on the task platform. He reported the scam to HSBC on 17 January 2025.

Mrs S says HSBC did not do enough to protect his money. HSBC says Mr S made all the transactions. That the funds were sent to his account at the cryptocurrency exchange that he had opened and has full control of. So the service he required was provided.

Our investigator did not uphold Mr S's complaint. She said the payments were not out of character for Mr S's account so HSBC did not need to intervene and provide a scam warning.

Mr S disagreed and asked for an ombudsman's review. He said, in summary, HSBC failed to recognise the emerging scam pattern; the number of payments in a single day was a risk indicator and the bank didn't provide any warnings to him.

### **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 at law is that HSBC is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (2017) and the terms and conditions of the customer's account. There is no dispute here that Mr S authorised these payments.

However, it doesn't stop there. Taking into account relevant law, regulatory rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that by September 2024 HSBC should have:

- been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, taken additional steps, or made additional checks, or provided additional warnings, before processing a payment; and
- been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multistage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

To note, as the payments were to an account in Mr S's name the principles of the Contingent Reimbursement Model (CRM) code do not apply in this case.

In this overall context, I do not find HSBC can be held liable for Mr S's losses. I'll explain why.

I do not think any of the payments indicated that Mr S was at risk of financial harm. He had sent payments to this account before for both similar and much higher amounts; he had previously made multiple payments to other payees on a single day as well as payments to this same payee over a couple of days. Mr S argues a scam pattern was emerging, but I cannot see that. Indeed the values on both days decreased, rather than increased. I accept the payments were identifiably to a cryptocurrency exchange but it was a legitimate firm and one Mr S had made undisputed payments to previously.

Overall, I am satisfied that HSBC did not miss any indicators of possible financial harm. It follows I cannot find it at fault for not intervening and providing a scam warning as Mr S argues.

So HSBC cannot fairly be held liable for Mr S's loss.

I have also considered if HSBC did enough to try to recover Mr S's money once it became aware of the scam. The payments were made to a wallet in Mr S's name at a cryptocurrency exchange. Mr S then sent that cryptocurrency to a different wallet as instructed by the scammer. So, HSBC would not have been able to recover the funds from the account it credited. That said I can see it did still attempt recovery after Mr S reported the scam, but as he would have known no funds remained at that stage. Overall, I don't find any failings in this regard on HSBC's part.

It follows I am not instructing HSBC to refund any money to Mr S. This is a difficult decision to make, I'm sorry Mr S has lost a considerable amount of money and I can understand why he would like to be compensated for his loss. I do accept Mr S has fallen victim to a sophisticated scam. But I can only consider whether the bank, which had no involvement in the scam itself, should be held responsible for what happened. For the reasons set out above I do not find HSBC can be held liable in the circumstances of this case.

### **My final decision**

I am not upholding Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 10 October 2025.

Rebecca Connelley  
**Ombudsman**