

The complaint

Miss P complains that HSBC UK Bank Plc will not reimburse all the funds she lost as a result of a scam.

What happened

Miss P received WhatsApp messages offering a cryptocurrency investment opportunity. As a result, Miss P made payments of over £210,000 between September and November 2024 to purchase cryptocurrency before sending the funds on to the scammer. She realised it had been a scam when the investment firm closed and she was unable to withdraw her funds.

Miss P raised the matter with HSBC and it agreed it could have done more when it spoke to her about a payment on 24 September 2024. However, it thought Miss P should also be held equally responsible, so it refunded £84,100.

Miss P thought HSBC's offer was unfair. Our Investigator upheld the complaint, because she thought HSBC ought to have intervened and spoken to Miss P earlier than it did. Therefore she concluded it should refund 50% of Miss P's loss from Payment 2 onwards.

HSBC didn't agree with our Investigator. It said Miss P was not honest when questioned at a later date, and as such it thinks she would have given similar answers if it did speak to her earlier. It didn't think it should be required to pay 8% simple interest for the payments it already agreed to reimburse.

Our Investigator did not change her opinion and as an agreement could not be reached, the complaint has been passed 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.

Having done so, I agree with the outcome our Investigator reached for the following reasons:

- Taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, HSBC should take steps to identify and where possible prevent sufficiently unusual or uncharacteristic payments to help protect its customers from financial harm resulting from fraud.
- Considering the unique identifiers, such as the sort code for the account to which payment was made, I find HSBC ought reasonably to have been aware that the payments were to a well-known cryptocurrency provider and related to the purchase of cryptocurrency. Even without this information, when asked about the purpose of initial payments, Miss P was honest and stated that the payments were for the purchase of cryptocurrency.
- The first payment was low in value at £500 and I do not think it appeared particularly

suspicious. However, Miss P went on to make a second payment for £10,001 which was significantly greater than the previous payment and was being made to a relatively new payee. Considering this and the known risks associated with the purchase of cryptocurrency, I find HSBC ought reasonably to have been concerned Miss P might be at heightened risk of financial harm from fraud and enquired about the circumstances surrounding this payment. HSBC provided a written warning, but considering the scam risks involved, I think it ought to have directed Miss P to discuss the payment with a member of staff.

- I've considered whether it could have uncovered the scam with appropriate questioning and prevented the loss, and I think it could. I say this because had HSBC questioned Miss P as I think it should, it would have come to light that Miss P was contacted unexpectedly via a messaging service, she had been added to a group chat and the returns promised were unrealistic. Miss P did not have a history of trading in cryptocurrency and there was limited information available about the investment firm online.
- I accept that Miss P incorrectly stated that she had not been told to make the payment. However, she was otherwise honest and told the truth about the purpose of the payment and that she had only had the cryptocurrency account for a short time. Even if Miss P continued to give inaccurate information, I do not think her answers would have stood up to an appropriate level of scrutiny. Particularly as I've reviewed Miss P's conversations with the scammer and I cannot see that she received any significant coaching, nor was she provided with a cover story to use if questioned by the bank.
- In such circumstances I think it is fair and reasonable to hold HSBC responsible for the losses incurred from 4 September 2024 onwards.
- The money did not remain in the account Miss P made payment to but was sent on to the scammer, therefore I do not find there were any reasonable prospects of recovering these funds. And as the account was under Miss P's control, she could access the funds if any of it remained in her cryptocurrency wallet.
- I've thought about whether Miss P acted negligently and should bear some responsibility for the loss. I appreciate that Miss P was the victim of a cruel and sophisticated scam and I have taken her circumstances at the time into consideration. However, I find returns of 400% unrealistic and this should have raised concerns. The investment account showed profit from the investment of several million in a few months which I think should have raised red flags. Miss P received unsolicited contact via a messaging service, and I think this ought to have also raised suspicions. Considering the amount of money Miss P was investing, I think she ought to have carried out independent research. Had she done so, I find the lack of information available about the firm should have raised further concern and the combination of factors ought to have made her stop. Therefore, I am satisfied it would be fair and reasonable to hold Miss P equally responsible for the losses incurred.

Putting things right

HSBC already reimbursed payments Miss P made from 24 September 2024, therefore it should refund 50% of the losses incurred from 4 September 2024 to 24 September 2024.

It should pay Miss P 8% simple interest per annum on the refunded amount from the date of each payment to the date the settlement is paid for the loss of use of her money during this

period.

I think it is fair and reasonable for HSBC to also pay 8% simple interest on the amount it already reimbursed in order to compensate Miss P for the loss of use of the funds. Calculated from the date the payments were made to the date it reimbursed her.

My final decision

My final decision is that I uphold this complaint and require HSBC UK Bank Plc to:

- Reimburse 50% of the loss from payments made from 4 September 2024 to 24 September 2024. That is £21,000.50.
- Pay 8% simple interest per annum on the amount reimbursed from the date of each payment to the date of settlement.
- Pay 8% simple interest per annum on the £84,100 it previously reimbursed from the date of each payment to the date of settlement.

If HSBC UK Bank Plc considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss P how much it's taken off. It should also give Miss P a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 10 April 2026.

Oluwatobi Balogun
Ombudsman