

## **The complaint**

Mrs S has complained about HSBC UK Bank Plc holding her liable for a debt which was taken out as part of a scam.

## **What happened**

Both sides are most familiar with the case, so I'll summarise things more briefly.

In mid-2024, Mrs S fell victim to a cryptocurrency investment scam. The scammers pressured her into taking out loans to fund the fake investment, saying they'd guarantee she wouldn't end up liable for them.

One of these was a £25,000 loan from HSBC. It was paid to Mrs S's HSBC bank account. Mrs S then sent the funds on to another account, then ultimately on to the scammers. The scammers didn't keep their promises and Mrs S realised she'd been scammed. Mrs S reported the matter, and said she hadn't applied for this loan.

Our Investigator looked into things independently and didn't uphold the complaint. Mrs S didn't agree, so the complaint'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.

First, I appreciate that Mrs S fell victim to a cruel and sophisticated scam, for which she has my sympathy. I understand that this cannot have been an easy matter for her, and that the scammers caused her a lot of distress. It's worth keeping in mind that it's the scammers who are primarily responsible for what happened. But in this case between Mrs S and HSBC, I'm looking at what Mrs S and HSBC are liable for. This decision is not a judgement of anyone's character, but I do need to take account of both sides' actions, including any misleading actions they took.

Turning to the loan itself, it's possible that the scammers might have physically applied for it on Mrs S's behalf, given the way remote access was used here.

However, even if I were to accept that Mrs S didn't physically apply for this loan herself – e.g. if the scammers did it for her – I currently find that she ought reasonably to have been aware that this was a loan being taken out in her name which would need to be repaid. I say this for the following reasons:

- Mrs S was talking with the scammer at the point of the loan application, and the content of their messages indicates she was aware that this was a loan.

- The payment into Mrs S's bank account was labelled as a loan and she paid those loan funds on.
- As part of this scam, Mrs S had already received two loans before this, and she knew they were loans as she gave her loan agreement to the fake crypto platform – before this HSBC loan was applied for. So she was aware that the credits she was receiving were from bank loans.
- Mrs S admitted to taking out one of the other loans involved herself, which also involved her receiving a code for her loan application by post, then entering it online to release her loan funds. So again, it seems she was aware that the money she was getting was coming from loans in her name which would need to be repaid.
- After this HSBC loan was paid to Mrs S, she tried to forward the loan funds on, but HSBC initially held that transfer and spoke to her. As part of that call, the staff member told Mrs S that the money she was sending came from this loan, and asked Mrs S whether she'd applied for the loan. Mrs S confirmed she applied for this loan herself, and she went into detail about how the loan was supposedly for home improvements – which matched what was put on the loan application.

As such, I can only reasonably conclude that either Mrs S applied for this loan herself, or that in any case she was reasonably aware that this was a loan in her name which would need to be repaid. She then received the loan funds and spent them herself – albeit by ultimately sending them on to a scammer. But I cannot fairly or reasonably tell HSBC to write off this loan's principal. As far as they knew, Mrs S had applied for this loan and given them detailed answers to reassure them it wasn't part of any scam. And Mrs S reasonably knew this was a loan in her name which she would owe back, and chose to send the funds on.

There are situations where we might tell a bank to write off a loan's interest and fees in this kind of case. But HSBC are already writing off the loan's interest and fees anyway, due to us finding in a separate case that this loan was not lent affordably. We've also directed them to agree affordable repayments with Mrs S, to treat her positively and sympathetically, and to adjust her credit file. So there's nothing more that needs to be done there.

As such, there's nothing more that I can fairly require HSBC to do in this case. This is a difficult message for me to give, and I know it's a difficult message for Mrs S to receive. But I'm unable to reasonably reach any other conclusion.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 5 August 2025.

Adam Charles  
**Ombudsman**