DRN-5585726

The complaint

Mr I complains HSBC UK Bank Plc didn't do enough to protect him when he fell victim to a job scam, which led to him losing money.

What happened

The background to this complaint is familiar to both parties, so I'll only summarise the key events here.

In September 2024, Mr I lost £4,325 to a job scam. He was contacted on a messaging app about a job opportunity that required him to complete sets of tasks in return for commission. Mr I was told he needed to fund his job account whenever it went into a negative balance. He did this by purchasing crypto from a legitimate crypto exchange (which I'll refer to as 'C') and then transferring the crypto to what he believed was the job platform.

Mr I made payments to C from his HSBC account between 4 and 8 September 2024. HSBC reversed an attempted £3,700 payment to C on 7 September 2024, as the payment exceeded its crypto limits. Mr I then made a series of smaller payments, totalling £2,800, on 8 September 2024. Mr I realised he'd been scammed when his account fell into a negative balance of -£13,000 and he could no longer afford to continue.

Mr I sought reimbursement from HSBC, but it declined, citing that the payments weren't covered by the Contingent Reimbursement Model (CRM) Code and were made to an account in his own name.

Mr I then brought the complaint to the Financial Ombudsman Service. Our Investigator partially upheld it, finding that, in addition to reversing Mr I's £3,700 payment on 7 September 2024, HSBC should also have sought to establish the reason for the payment and provided Mr I with a job scam warning, which would most likely have broken the spell and prevented further loss. However, she also found Mr I equally responsible for his loss, as he failed to verify the legitimacy of the job and continued making payments despite having doubts. She recommended HSBC refund 50% of his losses from 8 September 2024 (the next time Mr I made payments), plus 8% interest.

Mr I accepted the recommendation. HSBC disagreed, arguing it had warned Mr I about crypto risks in an email on 4 September 2024 and that the £3,700 payment was to an account in his name and not out of character for his account activity.

The complaint has now 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'm upholding this complaint and for largely the same reasons as our investigator.

Should HSBC be held liable for Mr I's loss?

It is not disputed that Mr I authorised the transactions. He is therefore presumed liable for the loss in the first instance. However, in line with longstanding regulatory expectations and good industry practice, HSBC should have been alert to the possibility of fraud and made additional checks before processing payments in certain circumstances.

HSBC argues it is not responsible for losses following a "me-to-me" transfer—where funds are moved into an account in the consumer's name and control before being lost to a scam. However, HSBC is well aware of our position on multi-stage scams. By September 2024, the risk of such scams, particularly those involving crypto, should have been well-known. And HSBC was clearly monitoring for unusual activity, as evidenced by its decision to reverse Mr I's £3,700 payment.

The key issues are whether HSBC intervened at the right time, whether its actions were proportionate to the risks identified, and whether further intervention would likely have prevented Mr I's loss.

Should HSBC have intervened, and would it have prevented the loss?

I do not believe HSBC needed to intervene in the first five payments Mr I made to C, as they were relatively small (£25 to £1,000) and spread over four days. However, the £3,700 payment on 7 September 2024 - his fourth payment to C that day, and which brought his daily spend to £5,100 - should have raised concern. Given the payment was to a crypto provider and considering the known risks of crypto scams, HSBC should have investigated the purpose of the payment and assessed whether Mr I was at risk.

HSBC confirmed it reversed the £3,700 payment due to its daily crypto limits – which were introduced to mitigate scam risks. But it did not provide Mr I with any scam warnings or educational material at the time. Although it had sent an email on 4 September 2024 which set out some risks related to crypto payments, although it did not cover off job scams.

Blocking or reversing a payment may reduce immediate risk, but Mr I's experience shows this alone is insufficient. A proportionate response would have involved understanding the context of the payment before allowing further transactions to be made to the same merchant.

HSBC could have done this by speaking with Mr I or using an automated system to present payment purpose options, which could then trigger relevant scam warnings.

I have seen no evidence to suggest that Mr I was coached to lie, and I have no other reason to believe he would have answered any questions from HSBC inaccurately. So, I think proportionate intervention from HSBC would have been able to identify that Mr I was falling victim to a job scam – which had become increasingly prevalent at the time and should have be a known risk to HSBC.

In these circumstances, HSBC should have provided a clear warning about job scams - explaining how scammers may offer commission-based jobs promoted via social media, create fake platforms using reputable company logos, and request crypto transfers as part of the scheme. Genuine companies do not operate this way. I do not consider HSBC's email sent days earlier, and which only broadly set out crypto fraud risks, was sufficiently impactful or timely to negate the need for a further intervention on 7 September 2024.

Would a proportionate intervention have prevented the loss?

On balance, I believe it would have. Mr I expressed doubts during the scam, telling the scammer, *"I'm feeling like I'm being scammed."* Although he continued making payments after being falsely reassured, I believe a clear warning from HSBC would have resonated with him given his own concerns and would most likely have led to the scam being uncovered and Mr I choosing to stop further payments.

Should Mr I bear any responsibility?

I've considered what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint. Having done so, I think Mr I should bear equal responsibility for his losses.

There were some aspects of the scam that appeared sophisticated – Mr I was given access to a job task platform where he could complete tasks and monitor his commission, he was also added to a group chat that made it appear legitimate.

But I've also considered that Mr I had voiced concerns early on, asking *"How do I know this is all real and everything is safe?"* – these concerns were reasonable given the premise of the job seemed on the face of it implausible. Despite these doubts, he took no further steps to verify the legitimacy and relied solely on the scammer's reassurances. Had he sought independent advice, the scam would most likely have been uncovered sooner.

On balance, I consider both HSBC and Mr I could have done more to prevent the loss. Therefore, I find it fair and reasonable to hold both parties equally responsible.

My final decision

For the reasons given above, my final decision is I partially uphold this complaint. I require HSBC to refund Mr I:

- 50% of the losses he incurred on 8 September 2024, which I calculate to be £1,400, plus

- 8% simple interest from 8 September 2024 to the date of settlement, less any tax properly deductible.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 7 August 2025.

Lisa De Noronha
Ombudsman