

The complaint

Mr B complains that HSBC UK Bank Plc won't refund all the payments he made as a result of an investment scam.

What happened

Mr B was the victim of a crypto investment scam involving the following payments with his HSBC account:

Ref	Date	Description	Amount
1	7 May 2020	Faster payment to crypto exchange	-£100.00
2	7 May 2020	Faster payment to crypto exchange	-£1,500.00
-	13 May 2020	Credit received from crypto exchange	+£194.44
-	30 July 2020	Credit from Mr B's pension	+£12,169.35
3	31 July 2020	Faster payment to crypto exchange	-£9,000.00
4	1 December 2020	Faster payment to crypto exchange	-£1,500.00
-	22 March 2021	Credit from Mr B's savings	+£2,500.00
5	22 March 2021	Faster payment to crypto exchange	-£3,000.00
-	26 April 2021	Credit from loan	+£15,000.00
6	26 April 2021	Faster payment to crypto exchange	-£10,000.00
7	27 April 2021	Faster payment to crypto exchange	-£3,000.00
8	28 April 2021	Faster payment to crypto exchange	-£2,000.00

In summary, Mr B was the victim of a scam involving a company I'll refer to as 'X', who guided him through making deposits on their investment platform via crypto exchanges. In fact, the platform and investment were fake, and the funds sent on via the crypto exchange went to fraudsters.

In 2024, Mr B raised a complaint with HSBC that it ought to have done more to protect him from the scam, so it was responsible for his losses. HSBC agreed it should've done more, but it also said Mr B should've carried out more independent research. So it refunded 50% of the payments made, less the credit received, totalling £14,855.56.

Unhappy with this outcome, Mr B brought his concerns to us to investigate. Our investigator recommended HSBC refund Mr B's losses entirely from payment 3 – so they didn't think he ought to share the blame. HSBC disagreed. In summary:

- Based on Mr B's initial investment and the credit he received, the returns were 12% in a week or circa 600% per annum. This was too good to be true.
- Mr B said he invested further after a blip in trading in December 2020 – to recoup his losses. A reasonable person ought to have realised something was amiss when being asked to chase their losses.
- Mr B took out a loan, where he presumably misled the lender about what it was for. Again, he ought to have had concerns in being encouraged to borrow money to recoup his losses.
- If he had researched X at this point, before making further payments, he'd have seen

multiple negative online reviews.

Given the disagreement, the complaint has been passed to me to make 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've reached the same conclusion as our investigator for these reasons:

- Both sides have accepted that HSBC ought to have done more to prevent Mr B's losses from payment 3. Accordingly, the crux of the disagreement, and the question for me to decide, is whether Mr B ought fairly to share the blame for his losses from this point, by way of contributory negligence.
- The starting position for contributory negligence is considering whether Mr B's actions, in the circumstances of the scam, fell below the standard expected of a reasonable person.
- This was a sophisticated scam – X had a professional-looking website, and Mr B had his own account which he could access and see the performance of his 'trades'. He also signed agreements, and he had a dedicated 'trading consultant' who he spoke with over the phone and via email. Taking this all into account, I can see how Mr B, particularly as an inexperienced investor, was taken in by the scam.
- It's unclear whether Mr B researched X before going ahead. His professional representatives suggest he searched the group online, but HSBC's records from its investigation suggest he didn't. But either way, I note there was very little about X available online at the time. While X did later appear on a popular review website, with negative reviews appearing from August 2020, it doesn't seem this website prominently appeared in common search results during the time Mr B made the payments as part of the scam.
- I've also noted Mr B received a credit early on, which he believed was profit he'd made and proof he could withdraw from X's platform. So, while Mr B might not have had independent research available, I can understand how this would've reassured him that X was legitimate.
- HSBC suggest he should've been alarmed by the credit that his returns were too good to be true. I accept this would've been a high return for his initial investment, but I've not seen evidence that it was represented to Mr B that he'd consistently, or was guaranteed to, see such returns. Indeed, I note the agreement he signed suggested he could make losses, and he was led to believe that happened later when the supposed investment progressed. It follows that I don't think he ought to have particularly alarmed by this.
- I've also considered that Mr B used his pension to invest. But given what I've set out above about what made X seem plausible, I can see how he was persuaded into this, particularly given the amount taken from his pension was relatively modest.
- I've gone on to think about Mr B's explanation that he was persuaded to continue investing to recoup his losses when there was a 'blip' in trading in December 2020. I've considered HSBC's arguments carefully, and I accept it's finely balanced. But I'm

mindful that this 'blip' could be read as a sign of the investment's legitimacy – in that he was told about the risks of trading, and this was part of that. I'm also mindful that Mr B didn't invest a significant amount at this point – he sent £1,500.00 and it seems he only invested further some months later after seeing this do well. Taking this all into account, I don't find he acted particularly unreasonably here.

- Finally, I've thought about Mr B's use of a loan to fund his later payments, and the likelihood that he wouldn't have been forthcoming with the lender about why he needed it. This is a scenario I see commonly in investment scam cases – where victims are coached by fraudsters into taking out loans on the basis that they'll be able to repay it quickly. And I'm mindful that here, it appears Mr B was buoyed by recent successful trades, and he was duped into believing he'd be not letting a good opportunity go to waste. So again, in the circumstances of this sophisticated scam, I can understand how he went along with it.
- Overall, I consider Mr B to have been a victim of an elaborate scam, that was likely designed and honed to make him make choices he may not have ordinarily made. Against this backdrop and in the circumstances of the case, I don't find he fairly ought to share the blame for losses that I consider HSBC, as an established bank with extensive knowledge of fraud trends, had multiple opportunities to prevent.
- It follows that I agree with our investigator's recommendation to refund Mr B's losses entirely from payment 3, less the amount HSBC has already paid, with interest to compensate him for the time he's been out of pocket.

My final decision

For the reasons I've explained, I uphold Mr B's complaint. HSBC UK Bank Plc must:

- Calculate Mr B's losses from and including payment 3 – £28,305.56 – less what it's already refunded him. I understand this to be £13,450.00
- Pay Mr B this amount, alongside 8% simple interest per year from the date of the payments to the date of settlement (less any tax lawfully deductible).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 September 2025.

Emma Szkolar
Ombudsman