

The complaint

Mrs C complains about the actions of HSBC UK Bank Plc when she lost money to a scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In total Mrs C sent around £9,443.76 to her account at a genuine crypto exchange from January to March 2025. She also sent funds from other accounts she held with an Electronic Money Institute (EMI) and a bank. She realised she had been scammed when she was unable able to withdraw profits so she made a complaint to HSBC, but HSBC said it wouldn't be offering her a refund.

Our Investigator didn't think the complaint should be upheld. She said the payments weren't sufficiently unusual for HSBC to have intervened here.

Mrs C disagreed and asked for an Ombudsman's review. She said HSBC should've considered the payments as unusual and suspicious here and it should've intervened. If it had then she says the scam would've been uncovered.

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. And for largely the same reasons. I'm sorry to hear that Mrs C has been the victim of a cruel scam. I know she feels strongly about this complaint, and this will come as a disappointment to her, so I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

It is common ground that Mrs C authorised the scam payments of around £9,443.76. I accept that these were authorised payments even though Mrs C was the victim of a scam. So, although it wasn't her intention to pay money to the scammers, under the Payment Services Regulations 2017 (PSRs) and the terms of her account, Mrs C is presumed liable for the loss in the first instance.

However, taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for HSBC to take additional steps or make additional checks before processing a payment in order to help protect customers from the possibility of financial harm from fraud.

HSBC's first obligation is to follow the instructions that Mrs C provides. But if those instructions are sufficiently unusual or uncharacteristic for the account, I'd expect HSBC to intervene and to ask their customer more about the intended transaction before processing it. I'd also expect HSBC to provide suitable warnings about common scams to help their customers make an informed decision as to whether to continue with the payment. There might also be cases where it's appropriate for HSBC to refuse to follow the instruction if there are good grounds to believe it is being made as a result of a fraud or scam.

So, the starting point here is whether the instructions given by Mrs C to HSBC (either individually or collectively) were unusual in relation to her typical account activity. So, I've reviewed the account statements from the previous twelve months before the scam payments.

Mrs C had made larger payments from her account before – ranging from £1,202 and £17,600. So, I don't think HSBC unreasonably allowed the payments to be made based upon their size. However, that isn't the only thing that HSBC should consider when assessing whether a payment is suspicious or unusual. Here Mrs C was sending money to a high-risk crypto exchange. However, not all payments to a crypto exchange will be related to a scam – there will be genuine payments as well. So, HSBC does have to balance its overall approach to how it intervenes on payments to crypto so as not to intervene disproportionately on all the payments its customers make to crypto exchanges. Also, the payments were reasonably spread out over two months and began to form a part of Mrs C's payment history, so I don't agree with Mrs C that they were erratic and escalating. Nor do I think the payments increased in sufficient size or velocity to such a degree that HSBC would've been reasonably concerned about them. So, I don't think the payments were individually large enough nor did they form a pattern that HSBC would've - more likely than not - considered that Mrs C was being scammed.

So, I'm not persuaded HSBC treated Mrs C unfairly here by not intervening. As a result, I don't think HSBC needed to take any further action.

Recovery

My understanding is that the funds were sent from the crypto account to the scammer so HSBC could not have recovered the funds from Mrs C's crypto account.

Mrs C said that HSBC should've reasonably been aware of her vulnerabilities based upon her account spending. However, I wouldn't expect HSBC to have known about her vulnerabilities solely based upon what she was spending her money on. If HSBC had been made aware of her vulnerabilities by Mrs C before the payments had been made, then I'd expect it to act accordingly and reasonably like Mrs C has said. But it wasn't. So, I can't hold it to a higher standard here.

Mrs C has also raised that HSBC failed in its duty of care to her under the Payment Services Regulator's (PSR) Authorised Push Payment (APP) scam reimbursement rules, especially in relation to her vulnerabilities. But Mrs C's payments don't fall under the scheme rules that she has quoted as her payments were Me2Me.

This is a difficult message for me to give as I know how strongly Mrs C feels about this matter given her loss and personal circumstances. But given the evidence I have, I'm unable to reasonably reach any other conclusion in the circumstances of this complaint. To be clear, I'm not blaming Mrs C for the loss – it's ultimately the scammer who is to blame. But for the reasons I've explained above, I don't think she's been treated unfairly by HSBC. So, taking everything into account, I don't think HSBC needs to take any further action.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 25 December 2025.

Mark Dobson
Ombudsman