

The complaint

Mr N believes that HSBC UK Bank Plc didn't do enough to protect him from the financial harm caused by an investment scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here.

In summary, Mr N decided to use a trading platform I will refer to as "E". He came across this platform after searching online. After his initial deposit Mr N was able to successfully withdraw money from the platform and was persuaded that the investment was legitimate and that his profits were growing. Mr N realised he had been scammed when, despite numerous requests, he was unable to withdraw funds from the platform.

HSBC said it asked Mr N appropriate questions about the £4,127.90 payment by phone and sufficiently alerted him to the possibility he might be scammed. It doesn't agree it should have intervened further.

Mr N's representatives disagreed that HSBC's intervention went far enough. They said it should have intervened when Mr N visited one of its branches to complete the payment. And had it done so it would have uncovered the scam and prevented Mr N's loss.

The Investigator concluded HSBC acted fairly and its intervention was proportionate. As an agreement wasn't reached this complaint has been passed to me for 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. And for largely the same reasons. I've explained why below.

I'm satisfied Mr N authorised the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although he didn't intend for the money to go to the alleged scammers, under the Regulations, and under the terms and conditions of his bank account, Mr N is presumed liable for the loss in the first instance.

It's not disputed Mr N authorised the disputed payments. But where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

Prevention

Payments 1 and 2

Given the small amounts transferred align with how Mr N normally uses his account, I don't think HSBC needed to intervene before authorising payments 1 and 2.

I say that while acknowledging HSBC had intervened during the second payment, which it originally declined. HSBC let the payment go through after Mr N confirmed he was making the payment and it was for some educational courses.

Payment 3

HSBC has said Mr N received a call before the final payment was released. Mr N argues that this payment was completed without any intervention by HSBC, suggesting that the call he received related to a separated failed attempt. However, HSBC's internal notes don't record any failed payment and instead show a verbal intervention for the final payment. The call also took place at the same time the payment was completed. So I'm satisfied that the call related to the final payment.

Mr N's representative has also argued that a branch intervention would have been more appropriate as Mr N went into branch to initiate the payment. I note that the branch adviser Mr N spoke to said they can't remember the specifics of their interaction but does believe Mr N would have been questioned about the payment including details about the payment reason and recipient.

I can't be certain about the conversations Mr N had in branch. I am however satisfied that HSBC's subsequent call with Mr N was a sufficient and proportionate intervention considering the circumstances and the value of the payment, and I've explained why below. So, I don't think HSBC deciding to not to question Mr N in detail in branch means that it is responsible for Mr N's loss.

Mr N's final payment was for over £4,000. Given the amount he was transferring, I think it is fair that this payment was flagged as suspicious and initially blocked.

Before processing the payment, HSBC called Mr N to discuss it. During the call Mr N said that he initiated the payment in branch. HSBC provided warnings about current scams and explained why it was asking additional questions. He said that he was moving money to his own international account for investment purposes, specifically for the purchase of European shares. He then elaborated and explained he was sorting out his financial affairs and referenced other investments he had made. He consistently reiterated that he was transferring funds to his own account. Mr N also said his investment broker (of around a year) had helped him open the account but that he alone had control over the account.

Mr N believed that HSBC blocking the payment stopped him from making money. He raised a complaint that the payment was stopped, and he was questioned about it. To be clear, I'm not considering that complaint here, but it's relevant for highlighting Mr N's determination to make the payment and the trust he placed in the scammer.

Given the size of the payment, I'm satisfied HSBC asked sufficiently probing questions and gave appropriate warnings. Having listened to the call in full between HSBC and Mr N, I don't think it was unreasonable for HSBC to rely on the answers Mr N provided and to allow the payment to go through. Overall, I'm satisfied that the level of questioning and warnings provided by HSBC was proportionate and specific to Mr N's circumstances. And Mr N's answers prevented HSBC from detecting the scam.

Recovery of funds

The payments Mr N is complaining about occurred in June 2024 and October 2024. He didn't inform HSBC about the scam until February 2025. Given the length of time that had passed I think it's unlikely that the funds could have been recovered by HSBC, so I don't think it acted unfairly in relation to recovery of funds.

Compensation

The cause for the upset was the scammer who persuaded Mr N to part with his funds. I've considered the service Mr N received from HSBC and I'm satisfied it was reasonable throughout. I'm therefore not asking for additional compensation.

Whilst Mr N has undoubtedly been the victim of a cruel scam, I don't find there were any failings on HSBC's part that would lead me to uphold this complaint

My final decision

For the reasons I've outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 19 January 2026.

Sureeni Weerasinghe
Ombudsman