

### **The complaint and background**

Mr H complains that HSBC UK Bank Plc won't reimburse money he lost when he fell victim to cryptocurrency recovery scams.

Between the period of February and October 2024, Mr H made around £70,000 in payments from his account with HSBC which were lost to cryptocurrency recovery scams. There were two distinct periods that the payments took place which were:

- February to May 2024 and
- September to October 2024.

Mr H was contacted by a number of individuals/ companies that claimed they were able to help him recover significant funds that had been lost following an initial investment he'd made into cryptocurrency some nine years earlier. Mr H made payments in the belief that he was taking action to allow the alleged profits that had been missing to be repaid to him. Mr H says he only came to realisation he'd been scammed when they continued to ask for more money from him.

A complaint was raised with HSBC that was rejected. It said at the time of the payments, Mr H was aware of these types of scams as he'd only recently reported having already fallen victim to the same type of scam earlier in February 2024. It also said during an interaction in March 2024, he was warned that scammers would continue trying to contact him about the same thing yet he went on to continue making payments lost to the scams.

Our investigator didn't uphold the complaint, as although he thought HSBC ought to have intervened and questioned Mr H about the payments he was making, he was not persuaded this would have prevented his losses. That's because he was satisfied Mr H was well aware of the type of scam he'd fallen victim to and yet he chose to continue with making further payments which were lost to the scams, even after interactions he had with HSBC.

Mr H's representative asked for the matter to be referred to a decision. It agreed that HSBC ought to have intervened and questioned Mr H about the payments he was making. It said HSBC were on notice that Mr H was susceptible to this type of scam given his reporting of an earlier scam and therefore they should not have allowed these payments to go through. And had it intervened appropriately, the scam would have been uncovered and Mr H protected from further financial harm.

### **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.

While I might not comment on everything (only what I consider key) this is not meant as a courtesy to either party – it reflects my role resolving disputes with minimum formality. I'd like to assure both parties I've considered everything they have sent.

It isn't in dispute that Mr H authorised the transactions in question. He is therefore presumed liable for the loss in the first instance. However, HSBC is aware, taking longstanding

regulatory expectations and requirements into account, and what I consider to be good industry practice at the time, that it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

I'm in agreeance with our investigator that HSBC ought to have intervened during Mr H's sequence of payments. But just like our investigator, I'm not persuaded that HSBC could have prevented Mr H's losses.

Prior to the disputed transactions raised here, Mr H had already reported having fallen victim to an earlier cryptocurrency recovery scam which resulted in a refund being provided. These transactions are not the subject of this complaint and I haven't found Mr H made a separate complaint about them. In fact, his account statements show a full refund being provided. That said, Mr H's interactions that took place on 3 February 2024 are relevant for the purposes of this case. That's because, just as our investigator has explained – Mr H was aware of this type of scam because he was reporting having fallen victim to one. Mr H had expressed he had some concerns and explained to HSBC that he became suspicious of the scammers when they informed him not to tell his bank what he was doing. HSBC had also informed Mr H that fraudsters target people more than once and that he should not entertain the scammers further if they are still trying to get money from him. Mr H proceeded to reassure HSBC that he had blocked contact with the scammers.

However, around two weeks later Mr H proceeded to make further payments towards a recovery scam. Mr H then proceeded to report these first five payments to HSBC on 5 March 2024 advising them that he'd again fallen for the same scam (which he confirmed he'd only reported a month earlier) and he was again suspicious because he'd now lost contact with the scammers. Mr H acknowledged he'd been scammed again.

I'm satisfied that Mr H was familiar with the hallmarks of a cryptocurrency recovery scam – especially as he'd already reported this type of scam to HSBC in February 2024. Its evident Mr H was familiar with the suspicious behaviours of the scammers, which had included being informed not to notify his bank of what he was doing and losing contact with the scammers. It's unclear why Mr H believed that he needed to make further payments at this stage to access his funds when he'd encountered similar issues only a month earlier which resulted in Mr H informing the bank he had blocked contact with the scammers. HSBC had also notified Mr H of the likeliness of fraudsters targeting people more than once and that he should not entertain the scammers further if they were still trying to get money from him. So I'm minded to conclude just as our investigator has, that I'm not persuaded HSBC could have prevented Mr H from continuing to make payments towards the recovery scams.

That said, it should be noted that Mr H also encountered losses to these recovery scams from accounts he held with other financial businesses – some of which are the subject of separate complaints at this service. Furthermore, whilst Mr H's interactions with HSBC show that he is familiar with the hallmarks of cryptocurrency recovery scams, the available evidence shows that Mr H was untruthful when questioned about his activity with another financial business. Another financial business informs Mr H that it considers he is being scammed. Mr H is questioned on multiple occasions around the involvement of any third parties and use of any remote access software. He's also required to acknowledge that he should answer truthfully otherwise he may not be able to get his money back. Mr H is warned that the involvement of a third party and instructions being given by them can be a red flag for scams. Yet he isn't truthful in his responses and maintains that he would like to proceed with his payments. Mr H is warned not to ignore the alerts being given to him and there are various other aspects of the warnings he is presented with that ought to have resonated with him throughout the payments being made.

These were not the only warnings Mr H received during the period of the payments however. He's also provided evidence of a warning that he received from one of the cryptocurrency exchanges he paid which notified him that it strongly believed he could be the victim of fraud as a result of his crypto withdrawal patterns. It also acknowledged that it had placed blocks at the earliest opportunity. And these blocks aligned with Mr H's first five payments i.e. the earliest losses to the scam. Mr H was notified his account would be closed and any remaining funds returned.

As our investigator has highlighted, I do also consider there was a later point in May 2024 that HSBC also ought to have intervened. I appreciate that Mr H has been repeatedly subjected to a series of recovery scams. And it's evident there were aspects where he'd been subjected to social engineering. But I can only ask HSBC to reimburse Mr H if I find that any wrongdoing on its part caused his loss. And in light of the reasons I've set out above, I'm not persuaded HSBC could have prevented Mr H from continuing to make payments towards the scam.

I've considered whether there are any ways HSBC could have recovered Mr H's money. And in relation to the transfers to his own accounts, I don't consider it could have. With regards to Mr H's card payments to cryptocurrency exchanges I also don't consider HSBC could have recovered his payments. Mr H bought genuine cryptocurrency with the funds which he sent on as part of the scams. So he did receive what he paid for, even if he then lost it due to the scams.

### **My final decision**

For the reasons set out above, I don't uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 27 December 2025.

Mark O'Connor  
**Ombudsman**