

The complaint

I've carefully considered the additional points raised following my provisional decision. And have set out my final decision below.

The complaint

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

What happened

Between October 2024 and January 2025 Mr P transferred funds from his HSBC account towards a cryptocurrency scam – resulting in him losing approximately £91,000.

Below is a list of transactions:

Payment	Date	Amount	Details
	21 October 2024	£23.55	Credit into account
1	21 October 2024	£2,000	Faster Payment
	22 October 2024	£384.68	Credit
2	29 October 2024	£2,000	Faster Payment
3	30 December 2024	£2,000	Faster Payment
4	1 November 2024	£1,000	Faster Payment
5	4 November 2024	£1,000	Faster Payment
6	4 November 2024	£700	Faster Payment
	11 November 2024	£617.72	Credit into account
7	13 November 2024	£20,400	Faster Payment
8	13 November 2024	£9,600	Faster Payment
9	15 November 2024	£195	Faster Payment
	18 November 2024	£156.13	Credit into account
10	21 January 2025	£15,800	Faster Payment
11	21 January 2025	£13,600	Faster Payment
12	21 January 2025	£13,600	Faster Payment
13	21 January 2025	£10,500	Faster Payment
	Total Loss	£91,212.92	

The scam occurred after Mr P came across an online advert for an investment company which I will refer to as "N". He registered his interest and was contacted by a representative, and after completing online research and reviewing the online portal, he decided to invest.

Mr P found the scammer to be professional, and he could see how his investment was performing through the portal. He realised he had been scammed when he was asked to pay additional fees to withdraw his funds and was unable to contact the scammer.

Our Investigator concluded that HSBC should compensate Mr P for half the amount he lost towards the scam from the £20,400 on 13 November 2024. This is because he didn't feel

HSBC's intervention went far enough and had it intervened proportionately, the loss could have been prevented. He didn't ask HSBC to refund the full amount because he thought Mr P contributed to the loss by failing to take adequate steps to ensure the investment was legitimate.

HSBC disagreed with the Investigator. It reiterated that the payments were not out of character with how Mr P normally used his account. It didn't think further intervention would have dissuaded Mr P from continuing with the payments because he had misled them as to the reason for the payments (he said it was for home improvements). HSBC said further questioning would not have revealed the scam and Mr P would have likely continued with the payments.

As an agreement couldn't be reached this complaint has been passed to me for a 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 minded to reach the same conclusion as our investigator and as set out in my provisional decision. And for largely the same reasons. I've explained why below.

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

Although Mr P did authorise the disputed payments, and HSBC is expected to process payments and withdrawals that a customer authorises it to make, 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

I've thought about whether HSBC could have done more to prevent Mr P's loss. HSBC ought to fairly and reasonably be alert to fraud and scams, so I need to consider whether it ought to have intervened when Mr P tried to make the payments. If there are unusual or suspicious payments on an account, I'd expect HSBC to intervene with a view to protecting Mr P from financial harm due to fraud.

Payment 1 -6

These payments occurred over roughly two weeks and were fairly spread out. The maximum Mr P was transferring was £2,000. As this amount wasn't out of step with how the account normally operates, I don't think HSBC acted unfairly by not intervening before allowing these payments.

Payment 7

Payment 7 concerned a relatively large payment of £20,700. Despite Mr P having made large payments in the past, I still find it unusual enough to warrant further intervention from HSBC.

During the intervention call Mr P says the payment was going to his own exchange account – and mentions the name of a cryptocurrency exchange. Mr P provides minimal information

and doesn't mention the investment or the involvement of a third party. A couple of hours later, when questioned about a later payment to the same beneficiary – Mr P again is reluctant to provide further details – he says that the reason he is doing multiple transfers was because he hadn't realised he wasn't capped at £25,000. HSBC also mentions a loan that Mr P took out which Mr P says was for home improvements. He said he was planning to transfer this amount to his new account. Mr P says that he uses this account for "big projects".

Mr P was not forthcoming with the circumstances surrounding the payment and misled HSBC. This suggests he was attempting to bypass HSBC's security measures and frustrate its attempts to uncover the scam.

Despite Mr P's vague answers, I think there was enough for HSBC to be concerned and take further steps. I say this because Mr P mentioned the recipient account was with a known cryptocurrency exchange – information that suggests there's a higher risk of Mr P being scammed. Additionally, Mr P had received a substantial loan of £30,000 the previous day and was transferring £20,400 of it to a cryptocurrency exchange. As Mr P transferred the funds to a cryptocurrency exchange instead of a regular bank account, as one would normally expect for money earmarked for "home improvements", HSBC should have been concerned Mr P was likely misleading them.

Given the sums involved I think a proportionate response by HSBC would have been for it to ask Mr P to go into branch to answer further probing questions about the payment and I do think a proportionate intervention by HSBC would have made a difference. This is because, I don't think Mr P would have been able to provide a plausible explanation as to why he was transferring loan funds for home improvements to a cryptocurrency platform.

It is clear that Mr P was under the influence of the scammer to such a degree that he was willing to mislead HSBC, but it's unlikely Mr P could have engaged with the scammer whilst in branch without appearing suspicious so HSBC would have been able to speak to him alone, and in those circumstances I think it could have uncovered the scam.

HSBC would have been able to give Mr P a warning about job scams and even though there is evidence that he trusted the scammer to the extent that he had lied about the purpose of the loan, it's likely that a robust warning in branch would have resonated with him and stopped the scam.

Contributory negligence

I consider that a deduction for contributory negligence is fair in this instance and that both parties should share liability equally. When Mr P spoke to HSBC about payments 7 and 8 he seemed to deliberately mislead HSBC as to the purpose of the payments (for example selecting the payment purpose as "friends and family" instead of "cryptocurrency") – and when probed further he said it was for home improvements.

Mr P misled HSBC even after it explained the reason for its questioning was to protect him from financial harm. And I'm satisfied that, had he been honest with HSBC, his loss might have been prevented. So I think a deduction for contributory negligence is appropriate.

Taking everything into account, I think it's fair and reasonable for the settlement to be reduced by 50% to reflect Mr P's contribution to the loss.

Recovery of funds

The payments made from Mr P's account went to an account in his name before finally being transferred to the scam. As a customer transferring funds from one personal account to another isn't usual, I don't expect HSBC ought to have taken further action to recover the funds from the second personal account before they had been transferred out. In short, I don't find HSBC is to blame for there being no funds remaining.

Redress

Mr P received £1,182.08 'return' from scam and the total he paid to the scam equals £92,395. HSBC should divide the £1,182.08 by the total amount paid to the scam (£92,395). This gives the percentage of the loss that was received in 'returns' – approximately 1.31%.

Deducting that same percentage from the value of each payment after and including payment 7 gives the amount that should be reimbursed for each payment. That means HSBC should reimburse 98.69% of each payment after and including Payment 7.

After taking the steps set out above, I calculate Mr P's outstanding loss from these payments to be £82,600.54. And as I've explained, I also think that the amount reimbursed should be reduced by 50% to reflect Mr P's contributory negligence.

My comments on the additional points made following the provisional decision

Following my provisional decision HSBC has responded disagreeing with my findings.

I've carefully considered the points it has made – however my decision remains unchanged.

HSBC doesn't believe that it should have intervened further, however I'm persuaded it should have for the reasons set out in my provisional decision.

HSBC has also said that due to Mr P's determination to make the payment any additional intervention by HSBC would have been ineffective. But after carefully reviewing all the information I'm not persuaded on balance that's the case here. It appears that Mr P was paying funds he received from a loan to a cryptocurrency exchange – for the purpose of "home improvements". So I think HSBC should have been on notice that Mr P was likely falling victim to a scam. I've carefully considered the additional points HSBC has made – however I am still satisfied that a stronger intervention likely would have made a difference.

I've also carefully considered Mr P's actions and have noted that he misled HSBC when he spoke to them on the phone – so I do think a deduction for contributory negligence is appropriate for the reasons I set out above.

Final decision

My final decision is that HSBC UK Bank Plc should:

- refund Mr P £82,600.54
- this settlement should be reduced by 50% to reflect contributory negligence
- pay 8% simple interest*, per year, from the respective dates of loss to the date of settlement.

*If HSBC UK Bank Plc deducts tax in relation to the interest element of this award it should provide Mr P with the appropriate tax deduction certificate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 27 January 2026.

Sureeni Weerasinghe
Ombudsman