

The complaint

Miss L complains that HSBC UK Bank Plc have failed to refund money that she lost due to scams.

What happened

The circumstances of this complaint are well known to both parties so I will not go into too much detail as to what happened.

In summary, Miss L was scammed into investing into a company that I will call B. There was an initial scam in which HSBC blocked a payment of £4,700 in May 2024. At this point Miss L reported that she thought she was being scammed and HSBC agreed that what she was doing had the hallmarks of a scam. The payment in question though was never sent to the scammer.

The following month Miss L was approached again by a scammer and this time she made four transfers to a crypto exchange in June 2024 totalling over £9,000.

Miss L realised that she had been scammed again. So she raised a complaint, with HSBC, as she believed that HSBC should have stopped her again from making the payments in question.

One of our investigators looked into this matter and they decided that HSBC did not need to intervene during the June payments.

Miss L, did not agree with this and therefore her complaint was passed to me to issue 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 agree with the conclusions reached by the investigator for the following reasons.

It isn't in dispute that Miss L authorised the disputed payments she made (where her funds were subsequently transferred on to the scammers from her crypto wallet). The payments were requested by her using her legitimate security credentials provided by HSBC, and the starting position is that banks ought to follow the instructions given by their customers, in order for legitimate payments to be made as instructed.

However, I've considered whether HSBC should have done more to prevent Miss L from falling victim to the scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly out of character.

Firstly, I don't think that the June payments were sufficiently unusual to have prompted an intervention from HSBC. They were not individually large enough and did not form a pattern that was indicative of someone being scammed.

So I'm not persuaded there was anything that ought reasonably to have triggered HSBC's fraud monitoring systems, or that would have indicated she was in the process of being scammed. I therefore do not consider there to have been any obligation on HSBC to have intervened.

I note that HSBC was on notice that Miss L had recently been involved in a scam, but that scam was prevented with no or at least little loss. So, it would seem unlikely to HSBC that Miss L would be the victim of a follow up scam. I say this because what usually happens is that further payments to scammer shortly after a scam is reported are the result of the victim attempting to recover their losses. So I don't think HSBC should have been on particular notice that Miss L was vulnerable to a follow up scam. I also can see that the payments were to a different payee and were made a few weeks later. So overall I don't think that HSBC needed to intervene.

That said even had HSBC intervened, and I don't think that it needed to, I don't think that a warning setting out the general features of a crypto scam would have stopped the scam. As during the calls surrounding the blocked payment Miss L was told by HSBC that what she was doing had the hallmarks of a scam. But despite HSBC only recently warning Miss L about scams and discussing what scams can look like, Ms L chose to send payments to an unknown third party under similar circumstances.

So overall I don't think that HSBC could have uncovered or prevented the scam.

I've also thought about whether HSBC did enough to attempt to recover the money Miss L lost.

In this instance, the Contingent Reimbursement Model (CRM) does not apply as it does not apply to transfers made between two accounts held by the same person. Also, my understanding is that the funds were sent from the crypto account to the scammer so HSBC could not have recovered the funds from the crypto account.

I appreciate this will come as a disappointment to Miss L, and I'm sorry to hear she has been the victim of a number of cruel scams, again. However, I'm not persuaded that HSBC can fairly or reasonably be held liable for her loss in these circumstances.

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 Miss L to accept or reject my decision before 8 August 2025.

Charlie Newton
Ombudsman