

The complaint

Mrs W complains that HSBC UK Bank Plc (HSBC) is refusing to refund her the amount she lost as the result of a scam.

Mrs W is being represented by a third party. To keep things simple, I will refer to Mrs W throughout my decision.

What happened

The background of this complaint is well-known to all parties, so I won't repeat what happened in detail.

In summary, Mrs W has told us that she was added to a group chat on a well-known messaging application. Mrs W had been actively looking for opportunities to invest.

I will call the scammers "X". Within the group, X claimed to be part of a financial investment company that had partnered with an overseas trading platform/exchange to launch their AI token.

Mrs W monitored the group for several months and carried out research on X and the associated businesses. Having done so she was convinced that the investment opportunity was legitimate and started to make payments into what she thought was a genuine investment.

It wasn't until Mrs W attempted to make a withdrawal from the investment and X demanded further payments first that she realised she had fallen victim to a scam.

Mrs W moved funds from her savings account to other accounts she held with HSBC, before making payments in relation to the scam. I have shown these payments in the tables below.

Savings account to Premiere account:

Date	Amount
23 October 2024	£2,000
24 October 2024	£6,000
10 November 2024	£10,000
25 November 2024	£30,000

Savings account to Global account:

Date	Amount
27 November 2024	£48,000
28 November 2024	£1,000
28 November 2024	£6,000
13 December 2024	£40,000
14 December 2024	£50,000
15 December 2024	£50,000

Premiere account out of HSBC:

Payment	Date	Payee	Payment Method	Amount
1	15 October 2024	Coinbase	Transfer	£2,500
2	15 October 2024	Coinbase	Transfer	£2,500
3	23 October 2024	Coinbase	Transfer	£2,000
4	24 October 2024	Coinbase	Transfer	£2,000
5	25 October 2024	Coinbase	Transfer	£2,000
6	25 October 2024	Coinbase	Transfer	£2,300
7	10 November 2024	Coinbase	Transfer	£2,000
8	10 November 2024	Coinbase	Transfer	£2,000
9	25 November 2024	CrypTech Holding	Transfer (refunded)	£10,000

Global account out of HSBC:

Payment	Date	Payee	Payment Method	Amount
1	27 November 2024	Mrs W	International payment	£50,000
2	28 November 2024	Mrs W	International payment	£25,000
3	28 November 2024	Mrs W	International payment	£7,000
4	13 December 2024	Mrs W	International payment	£40,000
5	14 December 2024	Mrs W	International payment	£50,000
6	15 December 2024	Mrs W	International payment	£50,000

Our Investigator considered Mrs W's complaint and didn't think it should be upheld. Mrs W disagreed, so this complaint as been passed to me to decide.

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.

It has not been disputed that Mrs W has fallen victim to a cruel scam. The evidence provided by both Mrs W and HSBC sets out what happened. What is in dispute is whether HSBC should refund the money Mrs W lost due to the scam.

Recovering the payments Mrs W made

Mrs W made payments into the scam via transfer and international payment. When payments are made by these methods HSBC has limited options available to it to seek recovery.

The payments Mrs W made from her premiere account in relation to the scam, that were not recovered, were made to a legitimate cryptocurrency exchange, in exchange for cryptocurrency. As it took further steps for those funds to end up in the hands of the scammer any attempt to recover the payments would have no prospects of success.

The payments Mrs W made from her Global account were international payments and recovery could only be attempted on a best endeavours basis. Considering the time that passed from Mrs W making the payments and reporting them to HSBC, and that the account these funds were sent to appear to be in Mrs W's own name, I think it's unlikely that any funds would have remained in that account to be recovered.

So, I don't think it's unreasonable that HSBC has not recovered the disputed payments.

Should HSBC have reasonably prevented the payments Mrs W made?

It has been accepted that Mrs W authorised the payments that were made from her accounts with HSBC, albeit on X's instruction. So, the starting point here is that Mrs W is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether HSBC should have been aware of the scam and intervened when the payments were being made. And if it had intervened, would it have been able to prevent the scam taking place.

Several calls took place between Mrs W and HSBC when the scam was under way. I have listened to recordings of the calls.

On 15 October 2024 a call took place between Mrs W and HSBC. During this call Mrs W explained she was trying to make a payment of £5,000 to her Coinbase account. Mrs W confirmed:

- She had previously made a payment to her Coinbase account 2 years before.
- She was making a payment now as it was supposed to be a yearly payment as part of her portfolio, but she hadn't invested the year before.
- No one had recommended the platform to her.
- She understood that cryptocurrency was high risk, but it was only a small amount, and she had a small element of high risk in her portfolio.
- She hadn't seen an advertisement online or via social media.
- She had created a separate wallet which she put cryptocurrency into once she had purchased it.
- She doesn't make withdrawals; she keeps them as a long-term investment.
- She had not been asked to download software.
- She would not be transferring more than £5,000.

During the call Mrs W was made aware there was a limit of £2,500 per day on payments related to cryptocurrency.

On 11 November 2024 a further call took place between Mrs W and HSBC. Mrs W explained that she had tried to make a payment to Coinbase for the value of £2,000, and it been held again even though it was below the limit.

HSBC explained that the limit was also £10,000 in a rolling 30-day period. Mrs W said she was at the point that she was considering transferring all her funds to a different account. Mrs W explained HSBC was restricting her funds and profits and that she would like HSBC to consider reimbursement for her losses.

As Mrs W raised a complaint about the limits not being correctly highlighted to her, she received a call back from HSBC later the same day: Mrs W confirmed:

- She had an investment in cryptocurrency that she had transferred to two years ago and as she hadn't transferred the previous year she wanted to invest again.
- She understood HSBC's concerns but there shouldn't be a blanket rule, she was working with Coinbase a verified exchange and she was potentially missing out on profits.

HSBC explained in the call that the limits had previously been advised to Mrs W, and the limits were a policy call so the complaint would not be upheld. HSBC did pay Mrs W £75 as a gesture of goodwill.

On 15 November 2024 further calls took place between Mrs W and HSBC. Mrs W explained that yet again her payments to Coinbase had been declined. HSBC confirmed the payments she was discussing exceeded the cryptocurrency limits and the rolling limit was discussed in more detail.

On 26 November 2024 Mrs W called HSBC as she had received a text message. Mrs W confirmed:

- the payment was part of her doctorate programme; she was doing a lot of work that week and would be sending payments totalling up to £85,000.
- No one else was on the phone to her.
- She had not received calls from an unknown person.
- She knew the person she was making the payment to.
- She had received and understood the warnings that were presented to her when she was making the payment.
- She had clicked "services" when making the payment because the company was creating something for her.
- She wasn't making payments in one go because she had a quote and wanted to reduce it so the total amount could be less depending on the people involved. She wanted to get the work done that week for her doctorate the following week.
- The company was owned by someone within her doctorate cohort, so she knew the person.

After a brief hold HSBC said that based on its checks and the information Mrs W had provided, it appeared the payment could be related to a scam.

Mrs W explained again that it was not a scam, she was creating something for her doctorate programme and that HSBC was delaying her progress. Mrs W explained again she needed to pay a vendor for a service she had received.

Mrs W again explained she needed to give her funds to pay for goods and services and needed to find a way to pay the people that had provided her with a service. Mrs W said she was doing a doctorate at Hult business school.

Mrs W repeatedly told HSBC that the payment was not related to a fraud or scam. Mrs W explained she would have to see if her partner could make the payment and that she would be moving her funds to other banks.

Despite the warning from HSBC, following the above calls Mrs W started to transfer funds from her savings account to her Global account and then out of that account in relation to the scam. HSBC did not intervene when Mrs W made the payments from her Global account.

The information Mrs W had provided to HSBC during the calls was not accurate. She was not making the payments as part of a portfolio that she had previously paid into two years before, and she was not making further payments having missed an annual payment the year before.

Mrs W was also not paying for a service that had been provided to her as part of a doctorate programme with Hull business school, and she did not know the person she was making payments to.

Providing incorrect information would and did make it very difficult for HSBC to uncover the scam that was taking place.

Mrs W has told us that HSBC should have intervened further than it did, and especially when she was making larger payments from her other HSBC account in relation to the scam. Mrs W says HSBC had a duty of care to protect her and that further interventions and warnings would have stopped the scam.

But I don't think further interventions would have made a difference.

I don't have enough to say that Mrs W would have provided any more honest answers had HSBC questioned her at any other point during the scam. And even if the payments were declined Mrs W made it clear that she was sure the payments were not related to a scam and that she would find another way to make the payments if HSBC was not willing. This would include the use of external banks or making the payments from her partner's account.

Mrs W demonstrated her confidence in the investment not being a scam by attempting further payments from her Global account with HSBC in relation to the scam that were successful.

I think it could be argued that HSBC should have intervened further than it did, especially considering the value of the payments that have been disputed and that they were being made to a known cryptocurrency exchange. But as I don't think any further interventions would likely have made a difference, I don't think HSBC missed an opportunity to prevent the scam and it is not responsible for Mrs W's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 2 January 2026.

Terry Woodham
Ombudsman