

### The complaint

Miss S complains that HSBC UK Bank Plc will not reimburse the funds she said she lost to a scam.

Miss S is represented by a firm, but for ease I have only referred to Miss S in my decision.

### What happened

Miss S made the following payments towards what she thought was a genuine cryptocurrency investment.

	Date	Type of Transaction	Amount
1	13-May-24	Open banking payment	£2,500
2	14-May-24	Open banking payment	£2,500
3	14-May-24	Open banking payment	£560
4	24-May-24	Open banking payment	£2,500
5	24-May-24	Open banking payment	£2,500

Miss S said her mother introduced her to the investment opportunity. And after speaking to the scammer and carrying out further enquiries, she decided to invest. Miss S became suspicious when the rate of growth of her investment seemed unrealistic. She said she made a request to withdraw her profits but was refused and was then asked to pay a large commission fee to access the funds. It was at this point she realised it had been a scam. Miss S later reported the matter to HSBC but it didn't reimburse the funds or uphold her complaint.

Our Investigator didn't think the complaint should be upheld. She thought HSBC ought to have provided a warning covering the key features of an investment scam. However our Investigator didn't think it would have resonated with Miss S and led to a different outcome.

Miss S didn't accept our Investigator's opinion, and as an agreement couldn't be reached the complaint has 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.

Having done so, I have reached the same outcome as our Investigator and for broadly the same reasons. I know this will be disappointing to Miss S, but I'll explain why I have come to

this decision.

Firstly, I want to reassure both parties that I have taken into account their submissions. If there's something I have not mentioned, it isn't because I have ignored it, I haven't. Rather, I have focused on setting out what is key to my decision.

Taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, HSBC should have looked at the wider circumstances surrounding the transaction before making the payment and taken steps to keep its customer's accounts safe. Therefore, it ought to look out for payments which might indicate that its customer is at risk of financial harm due to fraud.

I think HSBC ought reasonably to have been aware that Miss S was making payments to a cryptocurrency exchange. While I accept that not all cryptocurrency related payments are fraudulent, I am satisfied that HSBC ought fairly and reasonably to have recognised that its customers could be at an increased risk of fraud when using its services to purchase cryptocurrency and had appropriate systems for checking and providing warnings where necessary before it processed such payments.

I do not find the first two payments Miss S made remarkable in value to warrant intervention. However, I think HSBC ought to have intervened before processing the payment of £560 made on 14 May 2024. This was the third cryptocurrency related transaction in two days, and to a new payee. The payment was the second payment on that day and had been made shortly after payment 2, taking the value of the transactions on that day to £3,060. Miss S did not have a history of regularly making large payments out of her account. Therefore I think it ought reasonably to have been concerned she may be at an increased risk of financial harm due to a scam. Although it declined earlier payments Miss S had attempted to make, I can't see that it made any attempts to intervene in the payments that are the subject of this complaint.

I appreciate there are many similarities between the circumstances of Miss S's case and that of her mother's. There are however crucial differences in their context and the interactions they had with their bank at the time. And each case must be reviewed on its own merits. HSBC's intervention should be proportionate to the level of risk the payment posed. Taking into consideration what it knew about the payment, I think HSBC ought to have asked Miss S a series of questions to establish the purpose of the payment and provided a tailored warning based on the stated purpose. I find a written warning highlighting the key features of a cryptocurrency investment scam appropriate in the circumstances.

While I think HSBC could have done more to protect Miss S, I must consider whether it would have been able to prevent the scam had it intervened as described above and I don't think it would.

Miss S wasn't cold called or contacted by someone who claimed to be a broker or financial adviser as is often found where a scam is involved, rather she was introduced to the investment by her mother who she believed was profiting from the investment and had successfully made withdrawals from it. Miss S said the website appeared genuine and she was given access to a platform where she could see her investment growing. Unlike what is common to investment scams, Miss S was not promised specific returns from the investment and while some initial profit was made, there were also losses which further convinced her of the legitimacy of the investment. It is also clear Miss S had discussed the opportunity with her family and borrowed money from her father and brother to fund the investment. Had HSBC told Miss S to research the investment, I'm not persuaded she would have. Miss S said she had conducted her own research into the firm and the individuals involved in it and she did not find any information which concerned her. Furthermore the Financial Conduct

Authority had not published any warnings regarding the scam firm at the time.

Overall, I do not find Miss S's circumstances shared many similarities with common cryptocurrency investment scams at the time, so I think it's unlikely that a warning highlighting these features would have impacted her positively and caused her to stop making the payments. On balance, I think it's likely that Miss S would have been more persuaded by her family and the outcome of her own research than a written warning from HSBC. As such, I cannot fairly or reasonably hold HSBC responsible.

The payments were made to an account in Miss S's name, from which the funds were sent to the scammer and ultimately lost. Therefore I'm not persuaded there were any prospects of recovering the funds Miss S lost.

I've thought carefully about all that's happened. I appreciate that Miss S has lost a significant sum of money, and I sympathise with her, but I could only uphold this complaint and require HSBC to reimburse Miss S, if I thought its failings made a material difference, and I'm not persuaded that is the case here.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 26 December 2025.

Oluwatobi Balogun

**Ombudsman**