

The complaint

Mr W complains that HSBC UK Bank Plc ('HSBC') won't refund the money he lost to an investment scam.

He's being represented in this complaint. To keep things simple, I'll refer to Mr W throughout this decision.

What happened

The background is known to both parties, so I won't repeat all the details here.

In summary, in July 2023, Mr W came across a crypto-investment opportunity while searching online. He registered his interest and was contacted by an individual (a scammer) claiming to be from a company (I'll call 'X') which would use an 'AI trading bot' to generate returns. He now realises those returns were unrealistic.

He started small at first but believing the opportunity was genuine he went on to 'invest' more heavily as instructed. The scammer led him to believe they'd be acting as his 'account manager' and guided him, through remote access, on how to set up a crypto wallet. To make the scam more convincing, he was able to make some withdrawals and was given access to a sophisticated platform where he could see 'deposits' and 'trades'.

The payments were sent from his HSBC account to his account with another payment services provider ('R'). From there, funds were sent to various recipients and then lost to the scam. He realised he'd been scammed when he was asked to pay various 'fees' to withdraw his funds and communication with the scammer stopped. By that time, about £54,000 had been sent from HSBC to R in a series of payments between August 2023 and January 2024. Some of the money came from loans and borrowing from family.

A complaint was made to HSBC in September 2024 and then referred to our Service. Our Investigator didn't uphold it. In brief, he didn't think the disputed payments ought to have appeared as particularly unusual for HSBC to have intervened. He also thought it was unlikely an intervention would have been successful in any event, given the coaching Mr W was receiving from the scammer and the responses he provided when R intervened.

As the matter couldn't be resolved informally, it's 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've reached the same conclusions as the Investigator. These are the key reasons for my decision:

It's not in dispute Mr W authorised all the payments in question from his HSBC account. So, while he didn't intend to lose his money to a scam, under the Payment Services Regulations 2017, he's presumed liable for his losses in the first instance.

There are some situations where I consider that a firm (like HSBC) taking into account relevant rules, codes and best practice, should reasonably have taken a closer look at the circumstances of a payment – if, for example, it's particularly suspicious. But, in this case, I'm not persuaded there was enough about the disputed payments for HSBC to have stepped in on concerns that Mr W was at a heightened risk of financial harm from fraud.

In reaching this view, I'm mindful that the payments were sent to Mr W's account with R and that R wasn't a new payee when the larger scam payments began from October 2023. I'm also mindful that while funds were ultimately used for the purchase of cryptocurrency (which I realise can carry elevated scam risks), that's not something HSBC would have known at the time. As referred to by the Investigator, Mr W had also made significant payments from this account before. I think it would have been reasonable for HSBC to have factored these in when assessing a possible scam risk. And while the earlier payments were to recipients other than R, I'm not persuaded that's enough to find the payments complained about here ought to have appeared as significantly unusual when compared to the earlier activity.

Even though I don't think HSBC needed to step in, I'm not persuaded that a proportionate intervention would have likely prevented this scam in any event. There are gaps in the scam chats provided, and I think it's significant that the scam had been ongoing for some months by October 2023. I'm aware that calls were also held. I've seen that when R intervened, it was provided with misleading answers to the questions asked as early as 11 October 2023.

On the evidence, I think it's likely Mr W was being coached by the scammer at the time. I've also seen he continued to follow the scammer's instructions, as shown in the available scam chat, in later interventions (including a 'live' intervention). In my view, Mr W was significantly under the scam's 'spell' by October 2023 – such that, on balance, it's more likely he would have found (or been guided to find) a way around the truth or other ways to make payments if necessary, even if I were to say HSBC (in addition to R) should have intervened.

This isn't a decision I've made lightly. I recognise Mr W was the victim of a cruel scam that's affected him deeply. I can understand why he wants to do all he can to recover his money. But I can only hold HSBC responsible for his losses if I'm satisfied it missed an opportunity to prevent them. For the reasons I've given, I don't think that it did. And, in terms of recovery, I'm satisfied there was little HSBC could have done. As before, the transfers were made to Mr W's own account with R and the money had been moved on by the time the scam was reported. If any funds remained, Mr W would have been able to access them himself.

My final decision

For the reasons I've given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 30 October 2025.

Thomas Cardia
Ombudsman