

The complaint

Mr L complains that HSBC UK Bank Plc won't refund him money he lost in an investment scam.

Mr L is being represented by a professional representative, but for ease of reading I've just referred to Mr L throughout.

What happened

The circumstances surrounding this complaint are well-known to both parties, so I haven't repeated them at length here. Instead, I've summarised what I consider to be the key points.

Mr L says he was interested in investing, having seen advertisements about online investments. He saw a professional-looking advertisement online and sought further details. He was persuaded to invest and made an initial deposit. In order to fund the investment, he made payments to HSBC from another of his bank accounts. He then made payments from his HSBC account to a cryptocurrency account he had set up and from there he made payments to what he thought was his account with an investment company. However it was actually a wallet controlled by scammers.

He was able to log in to his investment account and could see his investment was performing well, so he made further payments. However, when he wanted to make withdrawals from his investment account, he was asked to pay fees first and that is when he realised he had been scammed.

Date	Amount	Payment type	Destination
20/02/2025	£50.00	Transfer	Own cryptocurrency account
20/02/2025	£2,450.00	Transfer	Own cryptocurrency account
25/02/2025	£2,500.00	Transfer	Own cryptocurrency account
26/02/2025	£350.00	Transfer	Own cryptocurrency account
06/03/2025	£2,500.00	Transfer	Own cryptocurrency account

Mr L reported the scam and complained to HSBC. Mr L says that while HSBC did call him about some of the payments, it didn't ask sufficiently probing questions to uncover the scam. Conversations were very brief, bearing in mind there were several warning signs that should have alerted HSBC to the possibility he was being scammed, such as large payments to a well-known cryptocurrency exchange. Mr L says he was coached by the scammer on how to answer HSBC's questions, but HSBC ought to have anticipated that and probing questions would have uncovered this.

HSBC didn't refund Mr L and didn't uphold his complaint. It says it called Mr L to discuss payments on 20 February 2025 and 6 March 2025, it questioned him fully and gave him appropriate warnings. As such, it doesn't consider it is at fault or responsible for Mr L's losses.

Our investigator didn't uphold Mr L's complaint. He thought HSBC had intervened proportionately, he agreed it had asked Mr L probing questions, and it had provided him with

appropriate warnings. Mr L hadn't answered HSBC's questions accurately and the investigator thought that if Mr L had answered correctly, that would likely have changed HSBC's approach to these payments and it would have uncovered the scam.

Mr L didn't agree. He said HSBC was aware he was vulnerable as he had admitted to having been the victim of a similar scam before. Victims of scams are well-known to be more vulnerable to future scams. He says blocking all payments to cryptocurrency platforms would have been a reasonable and proportionate step in view of the particular risk to him. Mr L maintained that HSBC ought to have considered that he might have been coached and should have asked questions to uncover that.

As Mr L didn't agree, the complaint has been passed to me for an ombudsman's 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.

I was sorry to read that Mr L has been the victim of a scam, about the effect this has had on him and that this has happened to him before. Such scams are cruel and can be quite sophisticated and I don't doubt how distressing this has been for Mr L. But in order to uphold his complaint I need to find that HSBC was at fault in some way and that the fault led to Mr L's losses or could have prevented them. Having considered Mr L's complaint, I don't think HSBC was at fault.

In broad terms, the starting position is that a bank is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case, it's accepted by all parties that Mr L authorised the payments and HSBC made the payments in accordance with Mr L's instructions.

Mr L's complaint isn't covered by the APP scam reimbursement rules because they don't apply to payments made between two accounts controlled by the same customer. Mr L's payments went from his account with HSBC to his account with a cryptocurrency exchange. And he says he made the payments from his HSBC account and the transfers from his cryptocurrency account, so it isn't in dispute that he controlled both accounts.

But the matter doesn't end there. Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, I think HSBC ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

In Mr L's case, HSBC did identify some of the payments as potentially fraud-related and it paused the payments and contacted Mr L to find out more about them. It contacted Mr L about the payments on 20 February and 6 March 2025 and I consider it was reasonable for HSBC to have intervened on those occasions. I wouldn't have expected HSBC to have contacted him about the other payments, given the low value of two of them (£50 and £350) and that the other was not so large that I consider it would have justified further intervention, taking into account HSBC's earlier intervention and the frequency of payments.

In both calls, HSBC asked Mr L the payment purpose and asked him further questions to try and narrow-down any specific risks or scams he might be facing. It established he was investing in cryptocurrency and it asked relevant questions about his investment, such as whether he had anyone advising him, whether he had researched the investment, whether he had downloaded any remote access software and whether anyone else had access to his

investment, amongst others. The calls weren't unduly brief and on both occasions, HSBC asked follow-up questions. These were relevant questions and I consider they were suitably probing. If Mr L had answered them correctly, I consider it likely HSBC would have uncovered the scam and wouldn't have made the payments. But Mr L didn't answer HSBC's questions accurately. For example, he told HSBC that he wasn't receiving advice on the investment from a third-party and he was asked whether anyone had told him to lie to HSBC. He said no to both questions, but he had received advice about the investment from a third-party and he had been told to lie to HSBC.

Mr L was given relevant warnings, such as warnings about fake investment accounts, third-party investment advisers and schemes where people invest and are then asked for large withdrawal fees but are unable to access their investment.

I've considered Mr L's point that he told HSBC he had been a victim of a scam once before, and so it ought to have realised he might be more vulnerable. Mr L told HSBC he had previously been the victim of a scam during the 20 February 2025 phone call. Having listened to the call, I consider HSBC asked Mr L appropriate questions and gave him appropriate warnings. In the context of the call, Mr L mentioned having been scammed before in answer to HSBC's questions, with Mr L suggesting that he now knew what to look out for. There was nothing in Mr L's answers that gave any indication he was falling victim to a scam. He was asked whether anyone was advising him, how he heard about the investment, whether he had been able to make withdrawals and other relevant questions and his answers were confident and didn't suggest anything was amiss. Overall, in my view there was nothing in his answers that would have led HSBC to reasonably suspect he was being coached.

While Mr L has been the victim of a cruel scam, for the reasons given above, I'm not persuaded that HSBC did anything wrong. I consider it intervened proportionately, with probing questions and suitable warnings, but ultimately Mr L didn't answer those questions accurately and this made it more difficult for HSBC to uncover the scam. Overall, I don't find HSBC was at fault and it is not responsible for Mr L's loss.

My final decision

I don't uphold Mr L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 4 December 2025.

Greg Barham
Ombudsman