

The complaint

Mr V holds/held an account with HSBC UK Bank Plc

Mr V's complaint is about HSBC's refusal to reimburse him money he says he lost due to a scam.

Mr V is represented by CEL in this matter. However, where appropriate, I will refer to Mr V solely in this decision, for ease of reading.

What happened

On 18 November 2025, I issued a provisional decision directing HSBC to refund £4,002.50 with 8% interest from the date of loss to the date of payment. I attach a copy of that provisional decision below – both for background information and to (if applicable) supplement my reasons in this final decision. I would invite the parties involved to re-read the provisional decision.

HSBC accepted my provisional decision, but CEL did not and stated amongst other things:

“[HSBC's] questions should be prefaced with warnings about misleading them. The rationale for this is it is well known scammers will ask their victims to mislead the banks under the guise of banks not wanting people to move their money out of their account so they can use it to earn more money. I think it would be reasonable for banks to provide an explanation on this and allow them and their customers to prevent scams.

Second, I would just like to check that payments to F have been considered under the CRM Code ('the Code')

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 considered CEL's responses carefully I repeat my provisional findings and find no reason to depart from them.

Regarding the CRM code (the Code). I'm satisfied that the payments in question are not covered under the CRM code. The invoice for the initial payment made through the money remittance provider includes an international email address and the scam company itself describes itself as international.

The payment received by the scammer was not a Faster Payment to a UK account, which is the type of payment the Code is intended to cover, as Mr V used a money remittance provider. Consequently, the transfer from the money remittance provider to the scammer was an international payment rather than a Faster Payment and falls outside the scope of the Code.

In the unlikely event that the payment from the beneficiary account was domestic, the payment still wouldn't be covered under the Code as it was essentially a transfer for the purpose of paying a genuine company to provide a legitimate service (a money transfer).

My final decision

For the reasons set out above and in my provisional decision I, uphold this complaint against HSBC UK Bank Plc and direct it to

- Refund £4,002.50
- Apply 8% simple interest from the date of loss to the date of refund

*If HSBC UK Bank Plc deducts tax in relation to the interest element of this award it should provide Mr V with the appropriate tax deduction certificate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs V and Mr V to accept or reject my decision before 1 January 2026.

My provisional decision

The complaint

Mr V complains that HSBC UK Bank Plc didn't do enough to protect him from the financial harm caused by an investment scam.

What happened

Between November and December 2023 Mr V transferred around £38,000 from his HSBC account towards a scam. The funds were sent to two recipients, Mr V's account with another financial institution, from which he made payments onwards to the scam, and payments directly to an account controlled by the scammer.

The scam occurred after Mr V came across an advert for an opportunity to invest in cryptocurrency that appeared to be endorsed by a celebrity. After submitting his details through a website, he was contacted by scammers who convinced him to invest his funds.

Mr V believed the opportunity was legitimate as his online research found positive reviews of the company, and he didn't find any information that raised concerns. The scammers also asked Mr V to complete a "know your customer (KYC)" questionnaire, sent him a welcome email, got him to register on their website, and maintained regular communication with Mr V further persuading him that the investment was genuine.

Our investigator concluded that the final payment of around £8,005 should be reimbursed to Mr V as she didn't think HSBC's intervention was sufficient. She thought HSBC should have asked Mr V to go into branch and had it done so she was satisfied that he wouldn't have lost this amount to the scammers.

HSBC disagreed. It said Mr V still would have made the payment, and that a deduction for contributory negligence should also be considered. As an agreement wasn't reached this complaint has passed to me for a decision.

What I've provisionally 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 a different outcome to the investigator. And I've explained why below.

I'm satisfied Mr V authorised the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although he didn't intend the money to go to the alleged scammers, under the Regulations, and under the terms and conditions of his bank account, Mr V is presumed liable for the loss in the first instance.

Although Mr V did authorise the disputed payments, HSBC is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

Prevention

I've thought about whether HSBC could have done more to prevent Mr V's loss. HSBC ought to fairly and reasonably be alert to fraud and scams, so I need to consider whether it ought to have intervened when Mr V tried to make the payments. If there are unusual or suspicious payments on an account, I'd expect HSBC to intervene with a view to protecting Mr V from financial harm due to fraud.

Payment 1 and 2

Payment 1 was for £100 and given its size I don't think HSBC needed to intervene. Payment 2 was or substantially more, £9,900 and was made two days later. Given that Mr V was transferring funds to an account in his own name, and considering the amount Mr V was transferring I don't think HSBC acted unfairly by not intervening before allowing the payment.

Payment 3

HSBC should have intervened and asked further questions around the circumstances of payment 3 - a £15,000 payment to Mr V's own account with Bank B. I say this given the size of the transaction and that it seems out of step with how the account normally operates. His account with Bank B was opened a couple of weeks before the transaction and would have been a relatively new payee on the account.

However, I'm satisfied that on balance, had HSBC asked further questions, Mr V would have answered in such a way as to alleviate any concerns HSBC had about the payment. The payment was being made to an account in Mr V's name. And when HSBC asked questions about a later payment, Mr V provided minimal information, and his answers seemed designed to allow the payment to complete. I've also noted that when Mr V was asked by Bank B on 13 November 2023 about transfers relating to the same scam, he said he was transferring funds to his own account. He didn't mention the investment or the involvement of a third party. Bank B also intervened on 21 November 2023 and again Mr V didn't mention the investment or any third-party involvement. Given all this, I don't believe that an intervention by HSBC for payment 3 would have uncovered the scam.

Payment 5

HSBC intervened before payment five (the final payment) on 28 December 2023 and, given the size of the payment and the fact he wasn't paying an account in his own name, I'm satisfied this was reasonable.

During the call, Mr V said he was paying an account in his own name – however the payment was to a company. He was very reluctant to provide any information about the transaction, which I accept was challenging for HSBC, but I think it's fair to say his reluctance is unusual and arguably should have flagged as suspicious. He eventually said that he was investing in bonds, and he hadn't been able to withdraw any funds. He also said that he knew the company he was transferring funds to was who they said they were – but he hadn't checked the cloned companies page of the FCA website.

I acknowledge that the call went on for over 30 minutes, and HSBC clearly explained that it wanted to protect Mr V from any financial harm caused by scams. And Mr V wasn't fully engaging with the process and was frustrated that he simply couldn't transfer his funds. However, despite this I don't think Mr V did enough to alleviate concerns HSBC had about the payment and I think it should have realised the payment was suspicious.

HSBC had a number of options available to it at this stage, it could have stopped Mr V's payment until he provided sufficient evidence and information about why he was making the payment. Or it could have asked Mr V to go into branch to authorise the transaction. And ultimately had it remained unconvinced by Mr V, then invoked Banking Protocol. I'm satisfied that – had HSBC chosen any of these options, I think it's unlikely Mr V would have continued with the payment, as the scam would likely have been uncovered. I say this as the circumstances of how Mr V became aware of the investment scheme (a celebrity endorsed advert to invest in cryptocurrency), the lack of information beyond the scam company's website that the firm was legitimate, the degree of control the scammers had over the investment (the scammer would invest Mr V's money), means it's likely the scam would have been uncovered. I think it's likely that Mr V would have been receptive to HSBC's warnings and would have followed HSBC's advice, completed additional checks, and have uncovered the scam. So I'm satisfied on balance that HSBC would have been able to stop Mr V from making payments towards the scam had it intervened further. So, I'm minded to ask HSBC to refund this final payment.

Contributory negligence

I've thought carefully about whether Mr V should bear some responsibility for his loss by way of contributory negligence. And on considering the evidence and arguments provided by both parties, together with the wider surrounding circumstances, I think he should.

I've considered Mr V's conduct during the call with HSBC on 28 December 2023. Mr V has helpfully provided the context around this call. He has explained that the scammers convinced him to mislead HSBC as he was told banks were losing money to cryptocurrency which is why they are reluctant to release funds. He says that he received extensive coaching from the scammers as to how to answer further questions from HSBC.

I have to look at what was reasonable for Mr V to do in the circumstances. The investment required Mr V to withdraw funds and deliberately mislead HSBC. I appreciate that Mr V was at the receiving end of extensive and daily coaching from the scammers as to how to respond to HSBC's further questions. He also says that his hesitancy during the call shows that he was uncomfortable with the answers he was providing to HSBC. However, after carefully considering all the information given, I'm not persuaded that it was reasonable for Mr V to mislead HSBC and that if he had been honest with HSBC his loss might have been prevented.

Taking everything into account, I think it's fair and reasonable for the settlement to be reduced by 50% to reflect that Mr V's contribution to the loss.

Recovery of funds

The majority of the payments made from Mr V's account went to an account in his name and were transferred to the scam from there. So, I don't think HSBC needed to do anything to recover the funds that were transferred to an account in Mr V's name. Regarding the other payments I can see that HSBC did reach out to the beneficiary bank who confirmed that no funds remained. I can't see that HSBC delayed contacting them once Mr V reported the scam. So, I don't think HSBC is to blame for there being no funds remaining.

Compensation

The cause for the upset was the scammer who persuaded Mr V to part with his funds. I've considered the service Mr V received from HSBC and I'm satisfied it was reasonable throughout. I'm therefore not asking for additional compensation.

My provisional decision

For the reasons outlined above, my provisional decision is that I'm minded to uphold this complaint. HSBC UK Bank Plc must:

- Refund £4,002.50
- Apply 8% simple interest from the date of loss to the date of refund

*If HSBC UK Bank Plc deducts tax in relation to the interest element of this award it should provide Mr V with the appropriate tax deduction certificate.

Sureeni Weerasinghe
Ombudsman