

## **The complaint**

Mr C complains that HSBC UK Bank Plc ('HSBC') won't reimburse the funds he lost when he fell victim to a scam.

## **What happened**

The investigator set out the facts in detail so I will only summarise them here.

Mr C says that a business contact introduced him to an investment with a company I'll refer to as V in this decision. This contact set up a meeting with a few other potential investors, the head of trading and a fund manager I'll refer to as J. Mr C understood the investment was in foreign exchange and that he could expect a return of 5 to 10% a month depending on trading performance.

Mr C made two payments of £5,000 each on 6 and 7 June 2022. The payments then showed on V's platform.

Mr C says that there were weekly webinar meetings as well as messages and emails to update him about the progress of his investment. He says he realised he was the victim of a scam when he was told the FCA had stopped V from trading and were conducting an investigation. Through a professional representative, Mr C complained to HSBC in March 2024.

HSBC told Mr C that it was reviewing industry guidance to determine if it could consider his claim under the Contingent Reimbursement Model Code ('CRM Code').

Mr C was unhappy with HSBC's response and brought a complaint to this service.

### *Our investigation so far*

The investigator who considered this complaint didn't recommend that it be upheld. Whilst she was satisfied V operated a scam, the investigator said that there was no evidence that the payments Mr C disputed were made in connection with an investment with V. The investigator also raised concerns about the source of funds and concluded that not enough evidence had been provided to fairly establish how much of the loss claimed, if any, represents a loss to Mr C personally.

Mr C, via his professional representative, didn't agree with the investigator's findings. He said:

- There is evidence to link a payment of £20,000 from another account held by Mr C with V but he is unable to locate any other deposit confirmations. Mr C pointed out that communications with representatives of V were via online meetings and calls and he no longer has access to V's dashboard.
- He made personal deposits to V (via J) from his own account. Mr C says he also received deposits directly to his V account by third parties, which explains why some of the deposit confirmations refer to amounts that are larger than the payments he made from his accounts.
- The money transferred to J was his own. The funds he received were due to him for services already provided and were not loans or investments made on behalf of others. Mr C was engaged in a separate investment scheme with a company I'll call

T. A feature of that investment was a peer-to-peer internal transfer system through which participants could sell stock internally. Mr C sold portions of his stock and received payments from multiple third-party buyers into this account. The funds were then transferred to his account with V and invested for his own benefit. T's online system is no longer working, and he has no other record of the transactions.

- He received funds from an inheritance. Mr C also owned buy-to-let properties and received payments from tenants and letting agencies.
- A brochure provided to this service showing an average rate of return of 21% a month from V, rather than the 5 to 10% he has referred to, wasn't the version he relied on in making his decision to invest. And other information provided shows his engagement with V.

### **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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – in other words on what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

Having carefully considered the information provided I have reached the same outcome as the investigator and for the same reasons.

Given what I say below, I see no merit in setting out in this decision why I think V operated a scam and why I don't believe it's necessary to wait for external investigations to be completed.

The first thing I need to decide is whether Mr C has suffered a loss that HSBC could be responsible for. So, I need to be satisfied that the payments Mr C has asked HSBC to reimburse were lost to a scam involving V, as he has claimed. But Mr C hasn't provided any evidence at all that links the transactions from his HSBC account with an investment with V.

Mr C has sent this service deposit confirmation emails from V that were sent to him in early November 2022. Each one refers to a trading start date of 14 November 2022. The confirmations relate to payments of £20,000, £15,000, £12,390, £15,000, £10,000, £20,000, £10,000 and £10,000. The payments I have been asked to consider were sent in June 2022. In the circumstances, I'm not persuaded Mr C has demonstrated that the funds sent to J in June 2022 relate to an investment with V. I also note that Mr C hasn't provided any evidence to show that third parties deposited funds directly into his account with V, as he has asserted.

Mr C has been unable to provide any other information to link the transactions he made to J to an investment with V. The information he has provided in terms of brochures don't show the particular payments I have been asked to consider relate to an investment Mr C made with V. I also note that Mr C now says that evidence provided in respect of V which shows an average rate of return of 21% a month didn't influence his decision to invest. So it's difficult to be satisfied the information about V that Mr C has provided to this service relates to his own investment.

By contrast, other evidence points to Mr C sending funds to J in June 2022 as a loan or in a personal capacity. The reference for each of the two payments is Mr C's name and the word "Loan." When Mr C made the first £5,000 payment, he chose the friends and family payment

reason option. HSBC blocked the payment and spoke to Mr C about it. He told the fraud adviser that the payment was for a partial deposit on a house, J was a friend he had known for 15 years, and that he and J were buying a property as a joint investment.

I understand that Mr C says he was told to use the loan reference for tax implications and the payments related to an investment with V, but I'm not persuaded the evidence supports this being the most likely scenario.

Even if Mr C could prove that the funds he sent to J were intended to be used to invest in V, I'm not persuaded Mr C has evidenced that the loss was his. I note that just before Mr C made the first payment to J, he received a £5,000 credit from an individual. When HSBC spoke to Mr C, he explained that he did some trading in gold, and he had received the payment for this reason. But Mr C hasn't evidenced this. In response to a question posed by the investigator, Mr C's representative said that credits to Mr C's account were from other investors in T in respect of peer-to-peer transfers. But, again, I haven't been provided with evidence to support this assertion.

Mr C has also explained that he received credits from tenants but has provided no evidence in support and says he no longer has tenancy agreements. Finally, Mr C says that he received funds from his sister from an inheritance. I can see credits from the person Mr C tells us is his sister between February and May 2022 with the reference 'inheritance', but no other evidence has been provided and these funds appear to have been used up before Mr C made the payments to J.

As Mr C hasn't proven that his funds were lost in a scam, or his entitlement to them, I am unable to consider whether HSBC should reimburse him under the CRM Code or otherwise.

### **My final decision**

For the reasons set out, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 November 2025.

Jay Hadfield  
**Ombudsman**