

## **The complaint**

Mr D complains about HSBC UK Bank Plc.

He says that HSBC didn't do enough to protect him when he fell victim to a scam and would like it to refund him the money he has lost.

## **What happened**

Mr D was contacted via a professional social media site by individuals pretending to represent an investment platform.

These individuals presented the opportunity as lucrative and were seemingly professionals in this type of investment. Mr D was added to a group chat with other investors who spoke about their successes and profits.

Mr D conducted some research online and found the company he thought he was dealing with. Mr D decided to go ahead with the investment and was provided with access to a 'trading account' which supposedly showed his investments.

He made the following payments

- 12 August 2024 - £1,028.84
- 24 August 2024 - £10,000
- 29 August 2024 - £20,000

Initially he was able to make a withdrawal of around £1,000. The scammers kept in touch with Mr D throughout the scam, however, when Mr D wanted to make a larger withdrawal from his supposed profits, he was told he needed to make a further payment for tax purposes of £14,000. Mr D then conducted some further research and discovered that the investment was a scam.

A complaint was made to HSBC about what had happened, but it didn't uphold it, so the complaint was brought to this Service.

Initially, Mr D's complaint was upheld in part by one of our Investigators, but after HSBC didn't accept this, it was reviewed again. This time our Investigator didn't uphold his complaint.

Mr D asked for an Ombudsman to make a final decision on the matter, so the complaint has been passed to me.

## **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 decided not to uphold this complaint, for broadly the same reasons as

our Investigator.

In broad terms, the starting position at law is that banks and other payment service providers (PSP's) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

Mr D authorised the payments in question here – so even though he was tricked into doing so and didn't intend for the money to end up in the hands of a scammer, he is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, HSBC should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider HSBC should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In this case, I need to decide whether HSBC acted fairly and reasonably in its dealings with Mr D when he authorised payments from his account or whether it could and should have done more before processing them.

Looking at the payments Mr D made, I don't think that there was any reason for HSBC to have intervened in the initial payment that was made – the payment wasn't overly large, and HSBC can't be expected to intervene in every such payment.

HSBC did intervene on the second payment Mr D made, and it asked him some questions about what he was doing and why. Mr D answered that he was making an investment – and he was provided with a tailored written warning about making this kind of payment. HSBC advised him to check that the firm was genuine and authorised by the Financial Conduct Authority, to ensure that they were not on the FCA scam list. I think this warning was proportionate given how Mr D usually operated his account – he regularly made large payments from his account, and in the six months leading up to the scam had made payments of £25,949, £20,000 and £10,500.

For the third payment, HSBC did not provide a warning to Mr D – but I think it would have been reasonable for it to have provided another tailored written warning at this time too. I have no reason to believe that Mr D wouldn't have been honest with his answers – however I don't think that this would have uncovered the scam either. Mr D would have said he was making an investment, which he was, and would have been provided the same warning as he was for the £10,000 payment.

The last two payments, while ultimately were being used to fund cryptocurrency, would not have appeared this way to HSBC. They were being made via a company called 'C' – which provides payment services. So, I don't think that HSBC would have been aware at the time of the payments that Mr D was actually purchasing crypto which does carry a higher risk than other types of payment. Had it been aware of this, then I would have expected its warnings to include details of what to look out for with a crypto scam.

I also think that had Mr D taken further steps to verify who he was dealing with when he was provided with the warning about the first payment, its likely he would have uncovered the scam himself – he was directed to check the FCA register, and he would have seen that the company was not authorised to carry out investments. He would also have seen that that the business he was dealing with was not a trading platform but facilitated international transfers.

I am also aware that when Mr D became suspicious after being asked to pay tax, he uncovered news articles about the company which caused him concern and uncovered the scam, and I think he could have found these articles when he initially researched who he was dealing with. Mr D was not a new investor, and I think he could have looked into things further from the outset.

That said, I don't blame Mr D for being taken in by a scammer, it is clear that they appeared professional and knowledgeable, and the opportunity presented was enticing. However, in order for me to uphold Mr D's complaint I would have to think that a further intervention from HSBC would have uncovered what was really going on – and I am not persuaded that it would.

I am aware that HSBC did try and recover the funds on Mr D's behalf – but it was unable to do so as the funds had already been moved on. So, I am satisfied it did what it could to try and get his money back.

I am very sorry for what has happened to Mr D – I know he has lost a lot of money to a cruel scam. But the loss has ultimately been caused by the scammer, not HSBC, and I can't ask it to refund him when I don't think it could have prevented his loss.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or

reject my decision before 23 October 2025.

Claire Pugh  
**Ombudsman**