

The complaint

Mr W complains that HSBC UK Bank Plc won't refund the money he lost when he was the victim of what he feels was a scam.

What happened

In October 2023, Mr W came across an advert for an investment company on a social media platform. He contacted the company and was put in touch with an account manager who would guide him through his investment. And Mr W was then told to download remote access software so the manager could access his laptop, and given access to the company's portal where he could monitor his investment.

Mr W then made a number of payments towards the investment from accounts he held with a number of banks, including his HSBC account. I've set out the payments Mr W made from his HSBC account below:

Date	Details	Amount
22 November 2023	To 1 st payee	£17,900
27 November 2023	To 1 st payee	£25,000
27 November 2023	To 1 st payee	£9,500
13 August 2024	To 2 nd payee	£10
13 August 2024	To 2 nd payee	£1,200
14 August 2024	To 3 rd payee	£25,000
16 August 2024	To 2 nd payee	£1,125
19 August 2024	To 2 nd payee	£2,500
20 August 2024	To 2 nd payee	£1,540
28 August 2024	To 2 nd payee	£2,500
29 August 2024	To 2 nd payee	£1,515

Unfortunately, Mr W then started to have a number of issues and concerns about the investment. And when he raised these with the company and asked to withdraw his money, he was told he had to pay a number of fees and charges he hadn't previously been made aware of. So Mr W felt he had been the victim of a scam and reported the payments he had made to HSBC.

HSBC investigated but said it had spoken to Mr W when he made some of the payments and was satisfied it had provided him with appropriate guidance about fraud and scams. So it didn't think it had made an error and didn't agree to refund the payments he had made. Mr W wasn't satisfied with HSBC's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think anything we would reasonably have expected HSBC to have done would have prevented Mr W losing the money he did. So they didn't think it should have to refund the payments he had made. Mr W disagreed with our investigator, 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.

Banks are expected to make payments in line with their customers' instructions. And Mr W accepts he made the payments here. So while I recognise he didn't intend for the money to ultimately go to scammers, he did authorise the payments. And so the starting position in law is that HSBC was obliged to follow his instructions and make the payments. So Mr W isn't automatically entitled to a refund.

The regulatory landscape, along with good industry practice, sets out requirements for banks to protect their customers from fraud and financial harm. So, in line with this, I think HSBC should fairly and reasonably:

- have been monitoring accounts and any payments made or received to counter various risks, including 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 firms 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, or provided additional warnings, before processing a payment;
- 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.

But, even if HSBC had recognised that Mr W was at heightened risk of financial harm from fraud when making some of these payments, I don't think the action I would have expected it to take would have prevented his loss. I'll explain why below.

I'm satisfied HSBC ought to have recognised that Mr W was at heightened risk of financial harm from fraud when he tried to make the first payment here, for £17,900 on 22 November 2023. This payment was for a significant amount, and an amount significantly larger than any other payment made out of Mr W's account in the previous months. The payment was also made to a new payee Mr W hadn't sent money to before, and was funded by a credit into his account for a similar amount immediately beforehand – which is a pattern of behaviour often seen when customers are falling victim to a scam.

I think a proportionate response to the risk I think HSBC should have identified would have been for it to carry out some sort of human intervention with Mr W, asking in-depth and probing questions to attempt to establish the circumstances surrounding the payment before allowing it to leave his account. But, had it done this, I'm not satisfied it would have prevented Mr W's loss.

HSBC did intervene when Mr W tried to make the first two payments here. It stopped the payments from immediately leaving his account and spoke to him on the phone to ask questions about them. And I've listened to recordings of these calls.

In the calls, HSBC explained it had held the payments as it had fraud or scam concerns and that it was aware customers were sometimes coached by scammers to not tell the truth about the purpose of payments. Mr W replied that he hadn't been told to do this and said that the payments were for professional consultancy services. HSBC then warned him that criminals can offer goods and services that appear to be genuine at prices that are too good to be true, but Mr W said he was happy to proceed with the payments. And at several times during the calls, Mr W also expresses frustration at the questions HSBC is asking him and suggests that it is holding his money for no reason.

Another bank Mr W tried to make payments from during this scam also intervened and asked him questions about the payments he was making. And I've also listened to recordings of these calls.

In these calls, the other bank explains it is seeing increased levels of fraud and wants to help prevent Mr W from falling victim to a scam. It then asks him to be completely honest and tell it the true reason for the payment, as not doing so may result in it not being able to protect him.

After Mr W says the payment is related to cryptocurrency, the other bank then says it is seeing a lot of fraud with investment scams, but Mr W interrupts and says he fully understands but that many times innocent people get affected by this kind of questioning.

Mr W is then asked whether he has responded to any online adverts and again interrupts to say that he hasn't and that this is a well-used system. The other bank also asks whether there are any third-parties involved or anyone is helping him, and Mr W replies that there aren't and that he is doing all this by himself.

After Mr W mentions that he is using various companies for the investment, the other bank asks what companies he is using and Mr W replies that he is going through the regulators in the UK to make sure everything is fine.

The other bank then explains that it's seeing a lot of people who don't really know what they're investing in and are sending money to cryptocurrency exchanges and then on to other people to invest for them, but those people are then unfortunately scammers. But Mr W says that he's not doing that.

Mr W also says that he feels the other bank's questioning is going beyond what is reasonable and suggests he will try to make any future payments from his HSBC account where he doesn't get these kinds of problems.

The other bank then reiterates several times that, because Mr W says he's not taking advice from anyone online, is doing this solely himself and hasn't been asked to lie to it, then it will release the payment.

So while I think HSBC should have asked more in-depth and probing questions during its calls with Mr W, even if it had done so, I think Mr W would likely not have given it accurate or complete information about the purpose or circumstances surrounding them – as happened with the questions he was asked by HSBC and the other bank. And I don't think any warnings I would have expected HSBC to have given him following the answers it got from those questions would have impacted his decision to continue making the payments – as the

warnings he received from HSBC and the other bank did not. So I don't think anything I would reasonably have expected HSBC to have done here would have stopped Mr W from making the payments or losing the money he did.

Mr W has mentioned that there is an ongoing police investigation into the investment company which could lead to further evidence relevant to his case. And he's suggested our service should obtain further evidence from another bank he made payments from as a result of this scam, as information it holds could be relevant to what HSBC should have known at the time. But I'm satisfied Mr W has been given sufficient opportunity to provide evidence in this case, and that I have sufficient information and evidence to fairly assess this complaint. And as I don't think the action I would have expected HSBC to take would have prevented Mr W's loss, I don't think further evidence of the kind he has mentioned would change this conclusion. So I think it is reasonable to reach a conclusion on this complaint based on the information and evidence currently available to me.

I appreciate that my decision will come as a disappointment to Mr W. He has lost a significant amount of money and I sympathise with the position he has found himself in. But I can only look at HSBC's responsibilities and, for the reasons I've set out above, I don't think anything I would reasonably have expected it to have done would have prevented the loss he suffered.

And so I don't think it would be fair to require HSBC to refund the money Mr W has lost.

My final decision

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 24 December 2025.

Alan Millward
Ombudsman