

The complaint

Mr U complains that HSBC UK Bank plc (HSBC) is refusing to refund him the amount he lost as the result of a scam.

Mr U is being represented by a third party. To keep things simple, I will refer to Mr U throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr U says he was contacted via social media by someone I will call "X" who discussed an investment opportunity with him. X explained that the investment would help to pay off Mr U's mortgage and was able to show Mr U what appeared to be the profits she had made of around \$700,000 using an AI trading application.

Mr U was advised that he could see profits of around \$200 per day if he invested \$18,000.

Convinced X was genuine Mr U started to make payments in relation to the scam. But when Mr U tried to make withdrawals from the investment, he was required to make further payments first.

Mr U was constantly required to make further payments and realised he had fallen victim to a scam.

Mr U has disputed the following payments made from his HSBC account in relation to the scam

<u>Payment</u>	<u>Date</u>	<u>Payee</u>	<u>Payment Method</u>	<u>Amount</u>
1	31 January 2025	Mr U	Transfer	£100.00
2	3 February 2025	Mr U	Transfer	£1,600.00
3	7 February 2025	Mr U	Transfer	£1,700.00
4	14 February 2025	Mr U	Transfer	£2,000.00
5	20 February 2025	Mr U	Transfer	£100.00
	22 February 2025	Mr U	Transfer	£49.12cr
6	22 February 2025	Mr U	Transfer	£1,650.00
7	24 February 2025	Mr U	Transfer	£2,500.00
8	4 March 2025	Mr U	Transfer	£150.00
9	4 March 2025	Mr U	Transfer	£1,500.00
10	7 March 2025	Mr U	Transfer	£1,250.00
11	11 March 2025	Mr U	Transfer	£1,550.00
12	17 March 2025	Mr U	Transfer	£1,500.00
13	25 March 2025	Mr U	Transfer	£1,800.00
14	25 March 2025	Mr U	Transfer	£1,200.00
15	25 March 2025	Mr U	Transfer	£1,500.00
16	25 March 2025	Mr U	Transfer	£1,800.00

17	25 March 2025	Mr U	Transfer	£1,700.00
18	28 March 2025	Mr U	Transfer	£3,000.00
19	29 March 2025	Mr U	Transfer	£2,500.00
20	1 April 2025	Mr U	Transfer	£2,000.00
21	1 April 2025	Mr U	Transfer	£2,100.00
22	1 April 2025	Mr U	Transfer	£100.00
23	2 April 2025	Mr U	Transfer	£5,000.00
24	2 April 2025	Mr U	Transfer	£2,800.00
25	7 April 2025	Mr U	Transfer	£1,400.00
26	8 April 2025	Mr U	Transfer	£200.00
27	9 April 2025	Mr U	Transfer	£850.00

Our Investigator considered Mr U's complaint and didn't think it should be upheld. Mr U disagreed, so this complaint has been passed to me to decide.

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.

It has not been disputed that Mr U has fallen victim to a cruel scam. The evidence provided by both Mr U and HSBC sets out what happened. What is in dispute is whether HSBC should refund the money Mr U lost due to the scam.

Recovering the payments Mr U made

Mr U made payments into the scam via transfer. When payments are made by transfer HSBC has limited options available to it to seek recovery.

In any event, the payments Mr U has disputed didn't go to the scammer directly, they went to a cryptocurrency exchange in exchange for cryptocurrency that was provided to Mr U. As it took further steps for those funds to end up in the hands of the scammer, any attempt to recover the payments would have no prospects of success.

Should HSBC have reasonably prevented the payments Mr U made?

It has been accepted that Mr U authorised the payments that were made from his account with HSBC, albeit on X's instruction. So, the starting point here is that Mr U is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether HSBC should have been aware of the scam and intervened when Mr U made the payments. And if it had intervened, would it have been able to prevent the scam taking place.

I think it could be argued that HSBC should have had concerns about some of the payments. Mr U was making payments to known cryptocurrency exchanges and some of the payments were for relatively high values, and on occasion multiple payments were made on the same day.

Although I can see that HSBC did intervene when Mr U attempted some of the payments. Multiple calls between Mr U and HSBC took place on 7 February 2025, 20 February 2025, 22 February 2025 and 23 February 2025. HSBC has provided a copy of these call

recordings to us.

During these calls Mr U told HSBC that:

- He was making the payments himself
- He had decided to make the payments having watched the market
- He was making payments to his own account
- He had found the exchanges himself and downloaded them from the app store
- He had found out about the investment having researched himself
- No third-party was advising or assisting him
- He had opened wallets himself
- He had not been in contact with an investment company

Mr U was warned on several occasions that Cryptocurrency is not regulated and there is very little protection if the payments ended up being related to a scam. Mr U was also advised to attempt to make a withdrawal from the investment, and if he was asked to make further payments first it would likely be a scam.

It's clear that during these calls Mr U gave HSBC the impression he was making payments to his own cryptocurrency accounts that he was in control of and that there was no third-party involved.

Giving incorrect information would and did make it very difficult for HSBC to uncover the scam that was taking place. Had Mr U been more honest when he was questioned by HSBC about the circumstances surrounding the payments, such as meeting someone on social media and being advised to make payments in relation to an investment it's likely HSBC would have uncovered the scam, and it could have been prevented.

It's clear Mr U was willing to give incorrect information to have the disputed payments released. As I don't have enough to say Mr U would have been any more honest had HSBC intervened further on other occasions, I don't think HSBC missed an opportunity to prevent the scam and it is not responsible for Mr U's Loss.

Mr U has told us that he struggled understanding what HSBC was telling him as there was a language barrier. I have thought about what Mr U has told us, but having listened to the calls it's clear that Mr U was able to engage in the conversations and respond to the questions asked by HSBC without any assistance. So, this does not change my decision on this complaint.

I am sorry for the situation Mr U now finds himself in, but for the reasons outlined above I am unable to ask HSBC to refund Mr U for 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 U to accept or reject my decision before 6 March 2026.

Terry Woodham
Ombudsman