

THE COMPLAINT

Mr K and Mrs P hold/held an account with HSBC UK Bank Plc (“HSBC”).

Mr K complains that HSBC will not reimburse him money he says he lost when he fell victim to a scam.

Mr K and Mrs P are represented by Refundee in this matter. However, where appropriate, I will refer to Mr K solely in this decision for ease of reading, and because he made the payments concerned.

WHAT HAPPENED

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview.

Mr K says he has fallen victim to a cryptocurrency related investment scam. He says scammers deceived him into making payments to what he thought was a legitimate investment with Bibcoin. The payments in question were all fund transfers to ClearBank/Crypto.com:

- Payment 1 - £3,000 (28 July 2024)
- Payment 2 - £2,500 (29 July 2024)
- Payment 3 - £2,500 (30 July 2024)
- Payment 4 - £2,500 (30 July 2024)
- Payment 5 - £2,500 (30 July 2024)
- Payment 6 - £2,500 (31 July 2024)
- Payment 7 - £2,500 (31 July 2024)
- Payment 8 - £2,500 (31 July 2024)
- Payment 9 - £2,500 (1 August 2024)

Mr K disputed the above with HSBC. When HSBC refused to reimburse Mr K, he raised a complaint, which he also referred to our Service.

One of our investigators considered the complaint and did not uphold it. As Mr K did not accept the investigator’s findings, this matter has been passed to me to make a decision.

WHAT I HAVE 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 find that the investigator at first instance was right to reach the conclusion they did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Further, under section 225 of the Financial Services and Markets Act 2000, I am required to resolve complaints quickly and with minimum formality.

Key findings

- I would not have expected Mr K's payments to ClearBank to have appeared as cryptocurrency in nature to HSBC. I do not agree with Refundee's submissions on this point. Nor do I agree that any reference attached to the payments would have had any bearing in that respect.
- Payment 1 triggered HSBC's systems, prompting it to intervene to try to protect Mr K from financial harm.
- The intervention consisted of HSBC providing Mr K with an automated tailored cryptocurrency warnings based on the selected payment purpose, which set out some of the following:
 - *High risk – You could lose your money. Signs you're being scammed. Did you create your crypto digital wallet? Do you have access to your crypto digital wallet? Who is asking you to pay? Self defence – Take action to ensure you don't lose money. Check if the company is listed on the cloned firms page of the FCA website.*
- I have taken into account the spending activity on Mr K and Mrs P's account, and the value of Payment 1. I have also taken into consideration the fact that Payment 1 was made to an account in Mr K's name, and that the transaction would not have appeared as crypto in nature to HSBC. By doing this, I find that the above intervention was proportionate to the risk identified regarding Payment 1.
- Mr K chose not to heed HSBC's warning.
- Turning to Mr K's subsequent payments. It is arguable that Payments 5 or 8 ought to have triggered HSBC's systems. I say this given the collective value of the payments made on the respective days. I have weighed this factor in the balance with the other factors I have mentioned above. Having done so, I am not persuaded the human intervention threshold has been passed, so I would not have expected HSBC to have carried one out at the time. Therefore, I am satisfied that an automated warning, like the one mentioned above, ought to have been provided again as a proportionate intervention.
- I have not seen anything to suggest Mr K would have heeded any subsequent automated warnings from HSBC.

- I would not have expected Mr K's other payments to have triggered HSBC's systems.
- I am not persuaded this is a case where HSBC, contrary to Mr K's instructions, should have refused to put Mr K's payments through.
- Turning to recovery. HSBC attempted recovery, but the beneficiary bank stated that Mr K had withdrawn "all related assets outside our custody". Further or alternatively, Mr K made payments to an account in his name. Thereafter, those funds were either moved directly to the fraudsters, or, if not – Mr K should be able to withdraw them from his own account. Further or alternatively, as Mr K's payments were made to purchase cryptocurrency – which would have been forwarded on in this form – there would not have been any funds to recover. Further or alternatively, the likelihood that even if prompt action had been taken by HSBC on or immediately after the fraud was reported, any of Mr K's money would have been successfully reclaimed seems slim. I say this because of the time that had elapsed between Mr K's payments and when he reported the scam. In these types of scams, fraudsters tend to withdraw/transfer out their ill-gotten gains immediately to prevent recovery.

Conclusion

Taking all the above points together, I do not find that HSBC has done anything wrong in the circumstances of this complaint. Therefore, I will not be directing HSBC to do anything further.

In my judgment, this is a fair and reasonable outcome in the circumstances of this complaint.

MY FINAL DECISION

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mrs P to accept or reject my decision before 15 December 2025.

Tony Massiah
Ombudsman