

The complaint

Mr B is unhappy that HSBC UK Bank Plc (HSBC) hasn't refunded payments he made after falling victim to a cryptocurrency-based, task scam.

What happened

In March 2025, Mr B was contacted online by what he thought was a recruitment agency. They offered him a job that involved him carrying out sets of tasks, under the premise of creating search engine optimisation, with the promise of commission after a set was completed.

Unfortunately, Mr B was in contact with scammers, who were trying to elicit money from him. They asked him to deposit money, through a cryptocurrency exchange and said it was to clear a negative balance, before he could then get paid his commission.

Within 3 days between 19 March 2025 and 22 March 2025, Mr B transferred over £15,069.10 in total from 10 disputed payments, with the majority happening on 22 March 2025. He was returned £1,499.38, early on.

Mr B, through his representatives, complained about what happened, and said HSBC failed to protect him from the scam. HSBC replied and said the transactions were not covered by the Payment Systems Regulator reimbursement rules or, for some of the payments, the card operator's chargeback scheme. HSBC said it tried to intervene on 22 March 2025 on the phone, and their staff member was told by Mr B that he was diversifying his assets, and the transfers were made only by him. They said they intervened but were misled by Mr B's answers and so they didn't think they had made an error on this occasion.

Unhappy, Mr B through his representatives, brought his concerns to our service to investigate. The investigator said he didn't think HSBC needed to take any action on this occasion. He said HSBC did intervene whilst the scam was going on, on the phone.

The investigator said they gave a clear warning about scams as well as ask some clear questions about what was going on. But Mr B said he wasn't told what to say or under any pressure and was moving his money to diversify his finances. The investigator said it was clear Mr B was being coached.

The investigator said HSBC also stopped payments throughout, but Mr B made successful attempts to confirm them as not fraudulent, and they went ahead. He said Mr B was a victim of a scam, but he didn't think HSBC acted unfairly in allowing payments to go through, based on what it knew and was told at that time.

Mr B and his representatives disagreed with the investigators outcome. They said HSBC needed to ask more open questions, and probed Mr B more. They said his answers wouldn't have held up to a reasonable level of scrutiny. They suggested a few questions that HSBC could have asked. They disagreed that Mr B was being coached and concluded a better line of questioning would have revealed the scam.

The investigator then gathered more information, including an intervention at the same time from a third-party electronic money institution, where it intervened and declined payments. Both the investigator and Mr B's representatives reaffirmed their points.

Mr B's representatives asked that Mr B's complaint be reviewed by an ombudsman, so his complaint has been passed to me to look into again.

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 reached the same outcome as our investigator:

- The starting position in law is that Mr B is responsible for the payments he made. And HSBC has a duty to make the payments he tells them to.
- But, as supported by the terms of the account, that doesn't preclude HSBC from making fraud checks before making payment. And, considering regulatory expectations and good industry practice, I'm satisfied that they should fairly and reasonably do this in some circumstances.
- At the time Mr B made the disputed payments, HSBC needed to adhere to the Payment Systems Regulator's rules on reimbursement for authorised push payment scams. These don't apply in the circumstances of Mr B's complaint though, as the rules cover bank transfers that are received into the scammer's bank account. In this case, Mr B transferred the payments first, to his own account on a cryptocurrency exchange, a scenario not covered by the rules. In other words, these were not transfers to an external account held by the scammers, but outbound transfers to Mr B's own cryptocurrency wallet, which he controlled, and these don't apply in the rules.
- That being said, as I have mentioned above, HSBC had obligations towards Mr B, and so I have gone on to consider this in relation to what happened here.
- By the time Mr B made the disputed payments mainly on 22 March 2025, HSBC would have been aware of how cryptocurrency scams work, following warnings given by the Financial Conduct Authority and Action Fraud. Mr B making payments for the amounts he did, and in the circumstances, would reasonably have appeared to HSBC as carrying heightened financial risk.
- This is why HSBC made several interventions on 22 March 2025, and Mr B interacted with them throughout the day. This is because the transactions Mr B was trying to make were being picked up by its fraud detection system. This resulted in an initial phone call between them early on. Mr B called HSBC to say it was him making the payments and to ask for the block to be removed on his card. The representative from HSBC's fraud team asked Mr B about payments that he made that had been held back, to which he replied, "all me no fraud".
- I have listened to this phone call, and I do agree with Mr B's representatives, in that at this early-stage HSBC ought to have done a lot better here. There were no open or probing questions during this call, and it sounded more like a tick box exercise with their representative asking Mr B whether he authorised certain payments or not. That said, as I will go on to find, I don't think further questioning would have made a

difference to the outcome here.

- HSBC went back in again, when Mr B attempted to transfer £2,500 later in the day, and this time another phone call took place between the parties, and the intervention had more substance. The representative said to Mr B that he needed 5 to 10 minutes to discuss fraud and scams with him. To which Mr B replied “I understand everything you are going to say, I am aware of the payment I am making. I would ask you please save yourself 5 to 10 minutes and myself and just release the payment.”
- The representative from HSBC went ahead though and asked what I thought were open and probing questions, but they were shut down by Mr B on each occasion. He said in reply to a question about how long he had held the cryptocurrency account, that he'd rather keep all that information private. He went on to confirm that he had opened the account on his own and that the reason for the transfer to the cryptocurrency exchange was to diversify his assets.
- I think it is clear from listening to this call that Mr B was not going to reveal the true nature of his payments and that he was going to say what he had to, to get through the intervention and get his payment processed.
- Mr B then talked to HSBC on a third occasion later on in the evening after he had made all the disputed payments, and he was still trying to get payments through. He said, “it's not fraud it's me, but it keeps – triggering the fraud alert, fraud alert, fraud alert.” Mr B was still at this late stage trying to get payments past HSBC's fraud system.
- Mr B then called HSBC on a fourth occasion late on 22 March 2025, and it was at this stage that he had concluded that he had been scammed. He said he was distressed and that he had made several high value payments. The HSBC representative then went through how to cancel his card and that this would be noted on their system.
- I am satisfied after listening to what was said by the parties during all of the calls that Mr B was going to make all of the disputed payments regardless of whether HSBC asked more questions or provided further warnings, based on what I have concluded above. He seemed to me to be motivated to get payments authorised and get the money across to the scammers, and spent the day trying to unblock payments, and getting through the interventions. In the second call he tried to circumnavigate even discussing the possibility that he may be a victim of a scam.
- I can also hear clearly that HSBC did ask relevant scam-related questions and provided a warning in the second call. Mr B, after hearing all that it said, went ahead and made the payment anyway.
- I can't see, based on what was said between the parties during the phone calls, that more from HSBC would have altered the outcome. Nothing I have heard in any of the calls persuaded me Mr B would have disclosed the true circumstances even if HSBC had asked further, more probing questions.
- I do appreciate how disappointing this will be for Mr B. I can see from the information he and his representatives have provided that he was scammed, and he has been the victim of a crime here. I am sorry this has happened to him. But for the reasons I've explained, I don't think his losses can be attributed to something HSBC did

wrong. So, I don't uphold his complaint.

My final decision

My final decision is that I do not uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 December 2025.

Mark Richardson
Ombudsman