

The complaint

Mr B complains that HSBC UK Bank Plc won't refund the money he lost as the result of a scam.

What happened

Late in 2024 Mr B read an article about cryptocurrency trading and he registered an interest. The following month he received a phone call asking whether he'd be interested in hearing from a company that provided guidance on how to trade cryptocurrency on trading platforms. He said he would, and shortly after, he received a call from a company ("W"), which said it would help him learn how to trade. Unfortunately, the caller turned out to be a scammer.

The scammer showed Mr B how to trade using W's platform. They said they would help him invest, and would receive a commission in return. On the scammer's instruction, Mr B opened a trading account with W, and accounts with two cryptocurrency exchanges ("K" and "C").

Mr B made the following payments by faster payment from his account with HSBC to his accounts with K and C.

	Date	Time	Merchant	Amount
1	19 February 2025	14:08	K	£500
2	19 February 2025	-	K	£4500 (reversed)
3	19 February 2025	14:51	C	£2,500
4	20 February 2025	10:31	C	£2,500
5	25 February 2025	14:14	C	£2,500
6	25 February 2025	14:34	C	£2,500
7	25 February 2025	14:36	C	£2,500
8	26 February 2025	15:19	C	£2,500
			Total	£15,500

HSBC's systems flagged payment 3, and a member of HSBC's staff spoke to Mr B on the phone before the payment was released. The agent asked Mr B a series of open questions about the payment and its context. They asked him what the reason was for the payment. Mr B said he'd started to invest in cryptocurrency in the last couple of months and was making a profit. He said that he was sending the money to his own account with C, which he'd opened himself, on C's website. When asked how he'd heard about the investment, Mr B explained that he wasn't working at the moment, and was investigating opportunities to invest in cryptocurrency. He said he'd found out about the investment from a friend, and confirmed that the friend was trusted. When asked whether any company was communicating with him about the investment, or whether he was doing it on his own, he said he was doing it on his own. HSBC's agent went on to outline some typical features of investment scams, such as being pressured to pay in money. HSBC was satisfied with Mr B's answers, and Mr B said he was happy for the payment to go ahead.

Mr B's explained that he'd agreed to invest £30,000, which the scammer had led him to believe would enable him to earn very significant profits as a "platinum" trader. Mr B tried to make three further payments to C of £2,500 each from his HSBC account on 4 March, but all were reversed. On the same day, at the scammer's suggestion, he opened an account with another bank ("M"). He paid £7,500 into the new account with M and quickly tried to pay the same amount out of that account to his cryptocurrency account with C. M spoke to Mr B about the attempted payment the following day, and twice more the day after that. At the beginning of the third call, Mr B told M that he'd been very disturbed by the earlier call, and by the end of the call, he accepted that he'd fallen victim to a scam.

Mr B says he hasn't been able to withdraw the money he invested. He believes that HSBC didn't do enough to alert him to the possibility that the payments were part of a scam. He says M took much more time, and told him where he could find reviews of W.

HSBC doesn't consider that it can be held responsible for Mr B's loss. It says Mr B authorised the payments, and made them to an account in his own name. And it says that it provided tailored scam warnings when it spoke to him on 19 February.

One of our investigators considered the complaint, but didn't think it should be upheld. In summary, she thought that HSBC had intervened appropriately when Mr B made payment 3 (using the numbering in the table above). And although she thought it should have intervened again when Mr B made payment 6, she didn't think it would have prevented Mr B's loss.

Mr B didn't agree with the investigator's view, so the complaint's been passed to me for a final decision.

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's not in dispute that Mr B fell victim to a cruel scam, and I was sorry to learn of this. It's also common ground that the payments made to the scam were 'authorised'. Mr B knew he was sending money to his accounts with K and C. So even though he didn't intend the money to end up with a fraudster, the payments were 'authorised' under the Payment Services Regulations. HSBC had an obligation to follow the payment instructions it received, and Mr B is presumed liable for his loss in the first instance. But that's not the end of the matter.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations, regulators' rules, guidance, standards and codes of practice and, where appropriate, what I consider to have been good industry practice at the time. Taking those things into account, I think that at the time the payments were made, HSBC should have been doing the following to help protect its customers from the possibility of financial harm:

- monitoring accounts and payments to counter various risks, including fraud and scams;
- keeping 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) – especially given the increase in sophisticated fraud and scams in recent years, with which financial institutions are generally more familiar than the average customer;
- acting to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring that all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, regardless of the payment method used, taking additional steps, or making additional checks, before processing a payment, or, where appropriate, declining to make a payment altogether; and
- being mindful of - among other things - common scam scenarios, how fraudulent practices were evolving (including, for example, the common use of multi-stage fraud by scammers, and 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.

However, there's a balance to be struck. Banks 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. And I think it was reasonable of HSBC to consider a range of factors when deciding whether to take any additional steps before making the payments.

Having looked at the sequence of payments, I consider, as the investigator did, that HSBC should have spoken to Mr B again when he made payment 6. It was the second significant payment to a known cryptocurrency provider that day, with Mr B having paid £5,000 to C in the space of 20 minutes. I think that it would have been reasonable to expect HSBC to ask Mr B open, probing questions about the payment. But I need to consider what would likely have happened if it had done so.

In situations like this, where the information is incomplete, inconclusive or contradictory, I make my decision based on the balance of probabilities – in other words what I think is more likely than not, given the available evidence and surrounding circumstances.

I've borne in mind that M's conversations with Mr B eventually uncovered the scam. And I accept that if HSBC had spoken to Mr B on 25 February, as I think it should have done, it could have probed further, and could have asked more detailed questions than it had the previous week. But it doesn't automatically follow that it should have probed him to the same degree that M did. Nor does it follow that if HSBC had asked Mr B proportionately probing questions when he made payment 6, it would have uncovered the scam at that stage.

The level of risk would have appeared significantly different when Mr B tried to make the payment from his account with M. Mr B had had his HSBC account for many years, and large transactions on the account weren't unusual. In contrast, he opened his account with M, transferred £7,500 into it, then tried to pay the entire £7,500 straight out to buy cryptocurrency. M was immediately concerned about that pattern of transactions and the fact that Mr B had apparently opened a new account specially to make payments to cryptocurrency. That's something that frequently happens in the course of a scam, and it was against that background that M questioned Mr B about the payment.

I've listened to all the calls Mr B had, both with HSBC and with M. I acknowledge that M probed Mr B harder and more thoroughly than HSBC did, but again, that was against the background of a pattern of transactions that was significantly more concerning. I also noted that in Mr B's conversations with M, there were frequently silences between M asking questions and Mr B answering, and he often sounded unconfident in his answers. I think those factors would have added to M's concern that Mr B was likely being manipulated by a scammer, and would have prompted it to push harder with its questions.

M asked Mr B what trading platforms he used, and he mentioned C and another platform ("S"). When asked how he intended to monitor the performance of his investments, Mr B said he tended to use W. In a further call the following day, he went on to mention that he had an account on W's trading platform. It was only on a third call with M, that Mr B gave M fully accurate information about how the investment was carried out. And it was then, following further warnings from M, that he accepted that he'd been scammed.

Mr B has told us that he believes that the outcome would have been different if HSBC had asked him about the platform he was using to carry out the trades. I've thought about this. But when HSBC spoke to Mr B on 19 February 2025, it asked whether he was carrying out the investments directly from his own account. He replied that he was investing using his own cryptocurrency wallet, by himself, and making his own decisions about what cryptocurrency to buy or sell. Taking that into account, I don't think it was unreasonable of HSBC not to probe him further about the involvement of a trading platform on that occasion.

I've also borne in mind that Mr B wasn't fully truthful with M when it first contacted him about his attempted payment of £7,500. He told M that nobody was helping him to manage his investments, and that he was making them himself. And he said that nobody had told him he could make quick money from this investment.

Taking into account Mr B's responses to HSBC, alongside his initial responses to M, I can't see any good reason to think that Mr B would have provided a different answer if HSBC had asked similar questions when he made payment 6. And I think his answers would more likely than not have prevented HSBC from realising what was going on.

Overall, and in summary, I don't consider that there were enough warning signs that Mr B was falling victim to a scam when he made payment 6 that, even if it had spoken to him, HSBC ought to have probed him as thoroughly as M did. And even if HSBC had probed more deeply than it had when it spoke to Mr B on 19 February, I'm not persuaded that it's likely, on balance, that a proportionate level of questioning on HSBC's part would have led to Mr B realising he was the victim of a scam.

I've thought about whether HSBC could have done more to recover Mr B's money. But the payments had been made into a cryptocurrency wallet in Mr B's own name, and had then been transferred quickly on to the scammer. By the time HSBC was alerted to the scam, nothing remained in Mr B's cryptocurrency wallet.

I'm sorry that my decision will come as a considerable disappointment to Mr B. I acknowledge that it's finely balanced, and necessarily involves a degree of speculation. But for the reasons I've set out, I'm not persuaded that I can fairly uphold this complaint.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 18 March 2026.

Juliet Collins
Ombudsman