

The complaint

Mrs K is unhappy that HSBC UK Bank Plc (HSBC) won't refund all the payment she made because of a cryptocurrency based, investment scam.

What happened

In 2023, Mrs K was a victim of a cryptocurrency based, investment scam which involved one debit card payment from her HSBC account to a third-party cryptocurrency exchange account that she also held in her name.

In summary, Mrs K found what she thought was an investment opportunity on a social media website. She contacted the company involved and started discussing this with them.

Unfortunately, Mrs K was in contact with a scammer and the money she thought she was investing, was instead taken by them. She was being shown investment information on their website that was fictitious. Mrs K sent a payment for £3,200 on 6 November 2023. The scammer offered her a return of 150% of her initial investment that they said would mature in July 2024. But when the time came and she tried to withdraw her money, the scammer asked her to pay a withdrawal fee. She did this with another bank account she held with a third party, but when the withdrawal was still not forthcoming, she realised she had been scammed.

Mrs K, complained to HSBC about what happened. HSBC replied and said it agreed with her that it ought to have done better when she made the initial payment in 2023. It agreed to take partial responsibility for this payment.

HSBC said it would reimburse Mrs K for £1,600 plus 8% interest. It said this payment was out of character so it should have done better. It paid this amount back to Mrs K on 1 October 2024. It said though that it didn't think it was fair to reimburse all the payment to Mrs K.

Unhappy, Mrs K brought her concerns to our service to investigate. She said she should be refunded for all the payment in full.

Our investigator upheld Mrs K's complaint and concluded HSBC ought to have done better when Mrs K made the payment. He said the payment carried a higher fraud risk, and it should have intervened. He said it didn't do so or provide any intervention or warning. He said he could see no reason why Mrs K would have continued with the payment, so felt HSBC should have reimbursed Mrs K as it made a mistake here. He said he didn't think Mrs K acted unreasonably and so HSBC should pay the remainder of the payment plus interest.

HSBC did not agree with the investigator and felt its offer and payment already made to Mrs K was a fair one. It said even to the most inexperienced investor the returns offered was unrealistic.

I issued a provisional decision on this complaint on 30 October 2025. Both parties have received a copy of that provisional decision, but for completeness I include an extract from the decision below. I said;

"Having done so, I am currently not upholding Mrs K's complaint for these reasons:

- *The starting position in law is that Mrs K is responsible for the payments she made. And HSBC has a duty to make the payments she 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 at the time these payments were made, I'm satisfied that it should fairly and reasonably do this in some circumstances.*
- *At the time Mrs K made the payment, HSBC was signed up to a voluntary reimbursement scheme, called the Contingent Reimbursement Model. But Mrs K made this payment on her debit card, a payment method the model didn't cover. But as I have already concluded HSBC had obligations towards Mrs K, and so I have looked at the circumstances of her complaint and considered these.*
- *HSBC responded to Mrs K's complaint and said it agreed that it could have done better with the transaction made on 6 November 2023. It said it was fair to share blame for what happened here, so it offered and paid £1,600 plus 8% interest. This it said represented a reimbursement of these payments, minus a 50% deduction for Mrs K's contributory negligence.*
- *HSBC said it accepted it could have done better for this payment on a shared blame basis. I don't therefore need to make a finding about whether HSBC made a mistake with this payment, because HSBC said it did. Instead, I have considered whether its offer was fair and reasonable.*
- *The crux of Mrs K's complaint is whether HSBC acted in a fair and reasonable way when it deducted 50% of the reimbursement it made to Mrs K, for her contributory negligence. So, I've gone on to consider whether Mrs K should share some blame for her losses. The starting position for this is considering whether her actions fell below what I'd expect of a reasonable person.*
- *I acknowledge Mrs K said she carried out research on the company and investment opportunity that she was presented with at the time. I have also read the conversation she had with the scammer, where she asked them what guarantees they had that her money was safe. But that is the point at which I think her own checks stopped, and she was enticed instead by the lucrative returns offered by the scammer.*
- *Mrs K was asked to open a cryptocurrency account, and hand over a large sum of money, without any checks about whether this person or company was regulated or what rights or protection she had around this. I think this is a particularly important issue, bearing in mind none of the paperwork that would normally be used by a regulated firm, changed hands between the parties. The scammer listed bullet points in response to Mrs K about why her money was safe, but the answers it gave were not credible or ought to have given her any assurance whatsoever.*
- *The scammer said it operated under strict regulatory guidelines but didn't say what they were, or whose guidelines they adhered to. They mentioned a risk assessment*

but didn't carry one out, they didn't say what protective measures they had in place or even what Mrs K would be investing in. So, although they said they were diversifying, Mrs K wouldn't have known what it was she was investing in. It wasn't agreed what the investment was, whether it was cryptocurrency, shares, or anything else.

- *The scammer said, "I will be able to give you between 150% return on investment at the end of 244 days" and although they mentioned briefly about risk, were clear that this was guaranteed. Mrs K accepted this without querying what the investment was and if there was any risk. It was accepted that the return was guaranteed. The interest rate offered though was unrealistic and ought to have given Mrs K serious concerns about what was being offered and the legitimacy of the proposed investment.*
- *It doesn't seem like a reasonable stance for Mrs K to take to consider that what she was being told was realistic or plausible. Obtaining returns of 150% on her money in just 8 months was not comparable in any way with anything else available on the market at that time.*
- *Taking all of this into account, I currently think HSBC's offer was a fair one when it reduced the overall reimbursement by 50% for Mrs K's contributory negligence. So, as this is the case, I don't currently think it needs to do anymore, and so I am not upholding Mrs K's complaint.*

I know the outcome will be a disappointment to Mrs K, and I can see it is clear she has been the victim of a scam here. I'm sorry this has happened to her. But I think HSBC in the circumstances of her complaint, has said it made a mistake and paid fair compensation for it. So, I won't be asking it to do anymore."

I asked both parties to let me have any comments, or additional evidence, in response to my provisional decision.

Barclays didn't respond by the deadline I set and haven't provided any further comments.

Mrs K responded on 30 October 2025 and made the following points:

- She didn't agree that she hadn't made any checks. She said, as stated she googled the company and read reviews left by different people.
- She said she was informed she would be investing in a diversified portfolio of shares and crypto from different companies.
- The return on investment of 150%, she googled and was told it would be very risky, but not impossible.
- She said if the bank had queried the investment with her, she would not have gone ahead.
- She said HSBC had paid £1,600 with no interest, and she had to pay a percentage of what was paid to her solicitor. She asked if HSBC should have paid legal fees.

Mrs K concluded that she did give it time and did her research. She said I seem to have overlooked this and that my decision was not thoroughly considered.

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.

I have carefully read everything Mrs K has provided, including her recent response. I have taken all of it into account when reaching my final decision. I have considered what she did and the actions she carried out before she transferred the money to the scammer. I have read her submission that she googled the company and read reviews.

But as I said in my provisional decision, I think that's where her due diligence stopped. I think, when I consider what was being said by the scammer to her, for her to then proceed with the investment on the proposal given by them, falls below what I would expect a reasonable person to do in those circumstances.

The scammer proposed a return of investment of 150%, and as I have already said, this was being proposed as guaranteed on her investment. There was not at any stage, a conversation between Mrs K or the scammers about this being a high-risk investment, or that she could potentially make investment losses, or specifically what it was that she would be investing in. Rather, there was an understanding between them that Mrs K would receive a return of 150% on her initial stake after a short period of time. I don't think this is, in anyway realistic, and ought to have made Mrs K stop and think about what it was that was happening, not least because she had not received any paperwork or detail about whether the adviser was regulated or what protection she had, after she had invested the money.

It is for these reasons that I conclude, HSBC's offer and payment of £1,600 was fair and reasonable, after it took into consideration Mrs K's contributory negligence. Mrs K's comments haven't changed my decision.

Moving on, Mrs K has queried whether HSBC should have paid interest when it reimbursed 50% of the payment to her. Mrs K would have been denied use of this money from the date of the transaction to the date HSBC paid it back to her. So, on this occasion, I agree it should pay interest of 8% simple net of tax, on this amount. I have contacted HSBC about this and asked it whether it would be prepared to pay interest to Mrs K for the amount it has already reimbursed and as I have described, and it said it would.

Mrs K has also queried whether HSBC should pay her legal fees. But I don't think was an unavoidable cost that directly stemmed from the mistake that HSBC has taken ownership of. I say this because Mrs K was able to access our services for free and could have done so directly but chose to seek representation instead. This was entirely her choice to do this. I don't think it would be fair or reasonable to ask HSBC to pay these fees, for the reason I have given.

I'm sorry about what has happened here. It is clear to me that Mrs K was the victim of a scam. But I don't think I can fairly ask HSBC to do all that Mrs K has asked for. That said, I do think HSBC should pay interest on the amount it has already paid to Mrs K, so that is my final decision.

My final decision

My final decision is that HSBC UK Bank Plc should pay Mrs K simple interest at 8% on the £1,600 it has already reimbursed to her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or

reject my decision before 29 December 2025.

Mark Richardson
Ombudsman