

The complaint

Mr R complains that HSBC UK Bank Plc won't refund him the money he says he lost in an investment scam.

Mr R is being represented by a professional representative, but for ease of reading I'll mostly refer to Mr R.

What happened

I've summarised what I consider to be the key points.

Around May 2019, Mr R says he saw an advertisement on social media for a foreign exchange trading investment opportunity. He was interested, sought further details and was contacted by someone who said they worked for the trading company. All communication was through popular messaging applications and social media, on his mobile phone. Mr R says he was told he could expect investment returns of 10-20% but says he was told these could be higher. He found the trading company's website looked very professional and he decided to invest.

He borrowed £12,000 from another financial services provider and used this money to fund his investment. The £12,000 was deposited into his HSBC account on 30 May 2019 and from there he made one payment of £9,998, by faster payment, on 31 May 2019, to his account with a cryptocurrency exchange. When it reached the cryptocurrency exchange, he converted his money into cryptocurrency and from there he says he transferred cryptocurrency to the trading company. Mr R says he was able to make a small withdrawal of £300 for the trading company to his cryptocurrency account.

He explains that the company he invested with took commission on the profit his investment earned each month, but in order to protect those profits, it didn't close any losing trades, which meant that all his money was quickly lost in the course of a few trades. He also says he realised he had been the victim of a scam when he wasn't able to withdraw his money and all communication stopped.

Mr R considers HSBC ought to have stopped the payment on 31 May 2019 because it was unusual and should have raised suspicions with HSBC. If HSBC had intervened, he says he would have listened to its warnings, and he wouldn't have invested.

HSBC says the payment isn't covered by the Contingent Reimbursement Model (CRM) Code because the payment was made from one of Mr R's accounts to another and the code doesn't apply to transfers between two accounts controlled by the same customer. It maintains that the payment wasn't unusual for Mr R's account when compared to his usual account activity and so it wasn't flagged by HSBC's systems. Mr R authorised the payment and it doesn't consider it was at fault in any way.

Our investigator didn't uphold Mr R's complaint. He wasn't persuaded there was sufficient evidence to show that Mr R had been the victim of a scam. He had asked for copies of the messages exchanged with the scammer and copies of any screenshots from the trading

account, or other evidence to show contact with the trading company but Mr R hadn't been able to provide such evidence.

Mr R doesn't accept the investigator's assessment. He says he no longer has this evidence because he changed his mobile phone, but the absence of copies of messages between him and the scammer isn't his fault and it shouldn't be used as a reason not to uphold his complaint. He considers his testimony is evidence, and it should be sufficient to show, on the balance of probabilities, that the scam happened in the way he says.

As Mr R didn't accept the investigator's assessment, his complaint has been passed to me for an ombudsman's 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.

I was sorry to read that Mr R has lost a significant amount of money in this investment and sorry to read about the effect this has had on him. But having read and considered everything that's been provided to me, I'm not persuaded I can safely conclude that Mr R lost his money as a result of an investment scam. I'll explain why.

In broad terms, the starting position is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case, it's accepted by all parties that Mr R authorised the payment and HSBC made the payment in accordance with Mr R's instructions.

The Contingent Reimbursement Model (CRM) Code doesn't apply in this case because Mr R was making the payment to another account that he controlled.

But having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, I think HSBC ought to have been on the lookout for the possibility of fraud and made additional checks before processing payments in some circumstances.

I agree with Mr R that this payment was out of character for his account, being considerably larger than the usual payments he made. His money was being sent to a cryptocurrency exchange and a large loan had been paid into the account the day before the payment. I consider there were enough unusual features about this payment that HSBC should reasonably have intervened. But in order to uphold his complaint, I need to be persuaded that a scam has actually taken place, that Mr R has lost money as a result and that HSBC's actions or inactions led to that loss.

Mr R says he has been the victim of an investment scam and has provided his recollections of what happened when he invested in May 2019. He hasn't been able to provide any copies of messages, documents or other supporting evidence to show which company he was dealing with, but he does recall the name, and he's provided that to us. He has also been able to provide evidence that he bought cryptocurrency and sent it on from his cryptocurrency exchange.

I haven't been able to find much evidence of the company Mr R names being involved in an investment scam. For example, there are online reviews of this company, but not that many, and while some suggest this company might be involved in a scam, most of the reviews are

positive. Nor have I found reference to this being a scam on the Financial Conduct Authority's (FCA) website.

Mr R points out that this company is not regulated in the UK but is advertising its services in the UK and providing investment advice, seemingly in breach of FCA rules and this supports his view that this was a scam.

I accept it's possible that Mr R has been the victim of a scam and I have carefully considered his recollections but overall, there is very little evidence to show that he invested with this company, or that the company was operating a scam.

His recollections are evidence and I have taken his recollections into account, but I am conscious that he is recalling events that took place nearly six years before he complained to HSBC. Mr R's recollections are a little unclear. Mr R hasn't provided much detail about what was discussed with the trading company. He says his money was lost through trading activity in the course of a few trades. That's quite possible with legitimate trading in foreign exchange. His representative adds that he realised this was a scam when he was unable to withdraw his money, but Mr R wouldn't have been able to withdraw his money because he had lost it all in the trades he describes. It seems quite possible, based on the recollections Mr R has provided, that his money was lost through legitimate foreign exchange trading activity, even if the company that was advising him might have been in breach of FCA regulations.

Overall, in the absence of sufficient evidence to show that Mr R invested with the company he says he invested with, the absence of evidence to show that company was operating a scam and Mr R's recollections not being particularly clear or detailed, I'm not persuaded there is sufficient evidence for me to uphold Mr R's complaint.

My final decision

I don't uphold Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 9 January 2026.

Greg Barham
Ombudsman