

## **The complaint**

Mr K complains that HSBC UK Bank Plc will not refund money he lost to a scam.

Mr K is represented by a firm, but for ease I have only referred to Mr K in my decision

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them all again here.

In summary, Mr K saw an advertisement online offering what he thought was a genuine investment opportunity and registered his interest. He was then contacted by the scammer and after some discussion he made the decision to invest. Between July 2024 and September 2024 he made payments of more than £80,000 towards the scam.

Mr K sent funds to a bank account he holds with a business I'll refer to as L, he also made payments to cryptocurrency platforms before the funds were ultimately sent to the scam investment platform. Mr K realised it had been a scam when he attempted to withdraw funds from the investment and was unable to. He reported the matter to HSBC but it didn't reimburse his funds nor did it uphold his complaint.

Our Investigator did not think the complaint should be upheld. She thought HSBC ought to have intervened more than it did, but our Investigator did not think it would have been able to prevent the loss had it done so.

Mr K didn't accept our Investigator's opinion and he has asked for an ombudsman to make a final decision. As such the complaint has been passed to me to decide.

## **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 agree with the outcome our Investigator reached and for broadly the same reasons. I know this will be disappointing to Mr K, but I will explain my reasons why.

There is no dispute that Mr K authorised the payments. And in accordance with the Payment Services Regulations (2017) and the terms and conditions of the account, he is responsible for the loss. However, taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, HSBC should have looked at the wider circumstances surrounding the transaction before making the payment and taken steps to keep its customer's accounts safe. Therefore, it ought to look out for payments which might indicate that its customer is at risk of financial harm due to fraud.

HSBC intervened on 16 July 2024, when Mr K first began to transfer funds to his account with L. It also intervened on 9 August 2023 and when asked, Mr K indicated he was paying himself. HSBC provided on screen warnings relevant to the stated purpose and the risk the payments posed.

However from 23 August 2024 Mr K went on to make multiple payments to an account he had only transferred money to once before. The transactions were made in quick succession with several payments made within minutes of each other, and many of the payments were of a similar value, which is a pattern often found in scams like this. It is not clear whether HSBC would have been able to identify that the payments were to Mr K's wallet on a cryptocurrency platform. Regardless, considering the pattern of spending and the value of the transactions, I think HSBC ought to have been concerned that Mr K may be at an increased risk of financial harm from fraud and intervened. And I think it ought reasonably to have stopped the payments and required that Mr K discuss them with a member of staff.

I have considered whether HSBC could have uncovered the scam had it questioned Mr K as I think it should have, and I'm not persuaded it could. This is because the scammer had guided Mr K on how he should answer any questions from his bank which he agreed to. L intervened on 9 August 2024 and Mr K discussed the payments at length with an agent. L intervened again on 23 August 2024. And although the coaching he received was not extensive, on both occasions Mr K did not provide accurate information. During his telephone call with L, he went as far as to volunteer misleading information without being asked a question, insisting that he was not being guided.

Following the conversation with L on 9 August 2024, Mr K told the scammer "You taught me well" he also said, "I kept arguing with him until he surrendered". I think this demonstrates that he was intent on making the payments. Therefore, had HSBC intervened as I think it ought to have done, on balance, I think it is more likely than not he would have continued to conceal the true circumstances behind the transactions. I appreciate that Mr K did not know that the investment was fraudulent, but when the bank is given misleading information, it limits, and at times, prevents it from potentially uncovering a scam.

Even if HSBC went as far as to stop him making payments all together and restricted his account or even enacted the banking protocol as Mr K suggests it should have done, on balance I think it is likely Mr K would have found alternative means of sending the funds. I say this because, the conversations with the scammer show Mr K had come to trust them, he thought he had built a personal relationship with one in particular, often referring to them affectionately and sharing personal information with them. Mr K had also made some profit from the earlier trades in commodities and had been able to withdraw his funds which I think would have persuaded him of its legitimacy. It is clear from their conversations that Mr K was taken in by the scammer and believed the investment to be real. So much so that Mr K was convinced to borrow large sums of money from friends in order to fund the investment. Mr K was provided with warnings by L which I think ought reasonably to have resonated with him. Despite this, he proceeded to make the payments. And when L restricted his account temporarily on 23 August 2023, he made multiple payments from his HSBC account to a cryptocurrency exchange. Therefore I am not persuaded HSBC could have prevented the loss.

The payments were made to accounts in Mr K's name and under his control, so if any funds did remain in them, he could access it himself. However as Mr K would be aware the funds were sent on to the scammers from the accounts and ultimately lost. So unfortunately, I'm not persuaded there were any prospects of recovering the loss.

I've thought carefully about all that's happened here. I understand that Mr K suffered a significant loss and I sympathise with him. However, I could only uphold this complaint if I thought any errors on HSBC's part made a material difference and I'm not persuaded that is the case here.

**My final decision**

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 to accept or reject my decision before 12 January 2026.

Oluwatobi Balogun  
**Ombudsman**