

## The complaint

Mr H complains that HSBC UK Bank Plc (HSBC) is refusing to refund him the amount he lost as the result of a scam.

Mr H is being represented by a third party. To keep things simple, I will refer to Mr H throughout my decision.

## What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr H has told us that he had received a message from an individual I will call "X" via a well-known messaging application claiming to have sent him the message in error. Mr H and X started chatting and X discussed her investments in cryptocurrency and trading.

Mr H and X had multiple conversations building trust and X won Mr H around to the idea of investing.

X guided Mr H to setup a cryptocurrency account and then how to move funds to that account and on to a trading platform that I will call "Y". X claimed she used the platform on the guidance of her uncle.

After making multiple payments Mr H's funds had been depleted. X explained she would be taking a loan to continue, and he should do the same. Mr H then appeared to take a loan using X as a guarantor. Mr H also took several legitimate loans to fund the payments.

When Mr H attempted to make a withdrawal from the investment, he was told he would have to repay the loan first and make other payments to verify himself.

Mr H then discussed the situation with a friend and it came to light that Mr H had fallen victim to a scam.

Mr H has disputed the following payments made from his HSBC account in relation to the scam:

<u>Payment</u>	<u>Date</u>	<u>Payee</u>	<u>Payment Method</u>	<u>Amount</u>
1	12 July 2024	Payward Ltd	Transfer	£500.00
2	12 July 2024	Payward Ltd	Transfer	£500.00
3	14 July 2024	Payward Ltd	Transfer	£1,500.00
4	17 July 2024	Clearbank Limited	Transfer	£2,500.00
5	19 July 2024	Clearbank Limited	Transfer	£1,500.00
6	7 August 2024	Clearbank Limited	Transfer	£5,000.00
7	7 August 2024	Clearbank Limited	Transfer	£5,000.00
8	7 August 2024	Clearbank Limited	Transfer	£50.00
9	19 August 2024	Clearbank Limited	Transfer	£5,000.00
10	19 August 2024	Clearbank Limited	Transfer	£5,000.00

11	19 August 2024	Clearbank Limited	Transfer	£5,000.00
12	19 August 2024	Clearbank Limited	Transfer	£6,000.00
13	25 August 2024	Clearbank Limited	Transfer	£1,640.00
14	18 September 2024	Clearbank Limited	Transfer	£20,000.00
15	24 September 2024	Clearbank Limited	Transfer	£750.00
16	25 September 2024	Clearbank Limited	Transfer	£4,500.00
17	25 September 2024	Clearbank Limited	Transfer	£100.00
18	25 September 2024	Clearbank Limited	Transfer	£50.00
19	29 September 2024	Clearbank Limited	Transfer	£11,000.00
20	5 October 2024	Clearbank Limited	Transfer	£5,000.00
21	5 October 2024	Clearbank Limited	Transfer	£5,000.00
22	5 October 2024	Clearbank Limited	Transfer	£10,000.00

Our Investigator considered Mr H's complaint and didn't think it should be upheld. Mr H didn't agree, so this 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.

It has not been disputed that Mr H has fallen victim to a cruel scam. The evidence provided by both Mr H and HSBC sets out what happened. What is in dispute is whether HSBC should refund the money Mr H lost due to the scam.

#### *Recovering the payments Mr H made*

Mr H made payments in relation to the scam via transfer, but the payments didn't go to the scammer directly. Instead, the payments were made to legitimate cryptocurrency exchanges likely in exchange for cryptocurrency. As it took further steps for the funds to end up in the hands of the scammer, any attempt to recover the payments would have no prospect of success.

#### *Should HSBC have reasonably prevented the payments Mr H made?*

It has been accepted that Mr H authorised the payments that were made from his account with HSBC, albeit on X's instruction. So, the starting point here is that Mr H is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether HSBC should have been aware of the scam and intervened when Mr H was making the payments. And if it had intervened, would it have been able to prevent the scam taking place.

I can see that HSBC did intervene when several payments were made, and several calls took place.

On 29 September 2024 a call took place between Mr H and HSBC when Mr H attempted to make payment 19 for the value of £11,000.

Mr H confirmed:

- He had made payments to the account before and had business that needed to be

done that night

- He had not received any calls
- He was not on the phone to anyone else
- He had not received calls stating that account was under attack and to move his funds
- He was making the payment in relation to trading he was doing with the other bank
- The payment was for investing
- He was investing in stocks
- He had gained profit and was building a profile
- He found out about the investment via a friend he had known for 15 years
- He communicated with the investment company via its platform and emails it also had a live chat facility
- He had researched the platform
- His friend was a business owner, they were combining funds and investing together
- He had funded the investment by working
- He had not been asked to pay more to make a withdrawal
- His return had been around 50% and he had withdrawn around 10%
- He had his account with login details, and no third party was involved
- He had not been asked to download remote access software, no
- he had seen fraud warnings when making the payment
- He had made payments from another account to HSBC then to the investment as he had previously made payments in relation to the investment via HSBC, so it was easier to do so

On 5 October 2024 a call took place between Mr H and HSBC when Mr H attempted to make payments 20 and 21 for the value of £5,000 each.

Mr H confirmed:

- He had not received calls asking him to lie to the bank
- He was not on a call to anyone else
- He had not been contacted by anyone asking him to send funds to a safe account
- He was sending funds to his crypto wallet that he uses to invest and trade
- He had the crypto wallet since July
- He opened the account himself, and he was the only person that could access it
- He had got to know cryptocurrency via his business friend that he does it with
- He had not been asked to download remote access software
- He had not been told to make more payments to withdraw funds
- A loan credited to his account for £20,000 was for home improvements, he had issues with his roof that needed repair.

Mr H was warned of the high risk involved in making those payments and that his money was at risk

A further call took place on the same day when Mr H attempted payment 22 for the value of £10,000.

Mr H confirmed:

- The purpose of the payment was that the payment was to raise his crypto funds, to fund his crypto account
- He opened the account alone, all his information was used, and no one else had access

- There was no third-party doing business on his behalf
- He did the payments in three different amounts as he didn't want to have the payments stopped as they had been before
- He had never been contacted by someone else
- Nobody had asked him to transfer funds to another account in his name
- He had transferred funds from another account to HSBC before making the payments as he always used the HSBC account to transfer funds in and out of his crypto account
- He had not been asked to lie to the bank
- He had carried out the payment on his own free will
- He had carried out his own due diligence

On 6 October 2024 a further call took place between Mr H and HSBC. The HSBC representative told Mr H he needed to attend a branch if he wanted to make the payment. Mr H did not attend the branch.

Mr H has confirmed that he was advised by X not to attend the branch, and he made the payment from another account he held with another provider instead.

Mr H's representatives have said that a better intervention earlier on in the scam would have uncovered the scam and prevented Mr H's loss, and it has pointed to other decisions made by our service which it says supports its view.

I agree that HSBC could have intervened earlier in the scam and carried out a more thorough intervention asking more detailed questions to uncover the background leading to the payments. But I don't think this would have made a difference. I will explain why.

Our Investigator discussed the circumstances of the complaint with Mr H. Mr H confirmed he had taken several loans giving the reasons as home improvements to fund the scam. Mr H also confirmed that he answered the banks questions as guided by X as she knew what the bank would ask him. Mr H has told us that he blindly followed X's instructions and trusted her.

I have also looked over all the available evidence. It's clear from the chat transcripts Mr H has provided showing his conversations with X that trust was built very early on and it appeared that a strong and caring relationship had formed.

Overall, I think it's clear that Mr H was not forthcoming when he discussed payments with HSBC and built a picture of him making payments to his own cryptocurrency account as he was trading with a friend he had known for more than 15 years. Mr H had actually started investing within a few weeks of speaking with someone he had received a random message from and has never met in person.

Mr H also took multiple loans to fund the investment giving false information to have the loans accepted.

Considering the above, and that Mr H has told us directly that he trusted X blindly, was taking direction from X on how to answer questions from the bank and took X's guidance to make a payment from another account when it was stopped by HSBC. I don't have enough to say that Mr H would not have followed X's guidance when making payments at any other time during the scam, or that any further intervention would have uncovered the scam.

So, while I know this will be disappointing for Mr H, I don't think HSBC missed an opportunity to prevent the scam and it is not responsible for his loss.

**My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 20 January 2026.

Terry Woodham  
**Ombudsman**