

The complaint

Mr T complains that HSBC UK Bank Plc won't refund the money he lost as a result of an investment scam. Mr T is represented in this complaint but I'll refer to him as it's his complaint.

What happened

There is limited information on what happened here as the events happened some time ago and Mr T hasn't been able to provide the communications he had with the scammers. Mr T said:

- Prior to 2021, he invested small amounts of money into crypto.
- He discovered a crypto investment opportunity online with Company S.
- He carried out thorough due diligence and was encouraged to start with an initial small investment.
- He could see his funds grow and was pressured and manipulated into making more and more payments
- Between January 2021 and May 2022, he paid at least £121,047.04*
 - * The exact amount is to be confirmed. Confirmed transactions are listed in **Appendix A**.
- He did this by paying funds from his HSBC bank account to legitimate crypto exchange firms – Firm B, Firm C and Firm P – and then paying the trading platform of Company S.
- After investing these funds into the scammers' platform, he was unable to access his funds, the platform disappeared and the scammers cut contact with him. This was when he realised that he'd been scammed.

A few years later, in April 2025, Mr T raised a scam report and complaint seeking a refund of his loss plus interest and compensation. His reasons being that the account activity was out of character and HSBC should've intervened strongly and, if they had, the scam would've been exposed and any further financial loss would've been prevented.

HSBC said they couldn't see they had done anything wrong but would look into the complaint. They issued referral rights and after the complaint was referred to our service and prior to a full investigation, they said they had '*investigated the transactions as a scam*' and would provide a partial 50% refund on all transactions except those from Firm P as they intervened on the initial payments for that firm. Their refund offer totalled £20,532.48 plus interest.

HSBC didn't explain why they are making a partial payment to the other firms after their interventions on Firm P payments. Their partial refund appears to be a goodwill gesture accepting that a scam occurred and some payments were handled differently. HSBC's explanation for a 50% reduction is contributory negligence.

Mr T didn't accept HSBC's offer, and our investigator then fully investigated his complaint. However, he didn't think it was fair and reasonable to require HSBC to provide any refund. He explained that:

- The evidence provided shows the payments (from Mr T's HSBC account) were made to legitimate cryptocurrency platforms but that doesn't clearly demonstrate that he was scammed.
- As the evidence doesn't show fraudulent behaviour, he can't fairly hold HSBC responsible for failing to detect or prevent it.
- Even if a scam could be proven, he couldn't see that HSBC had acted unreasonably as Mr T didn't heed their warnings when they did intervene.

Mr T disagrees and thinks his testimony that he was scammed, should be taken into account. Also, Mr T provided some more information (Company S trading platform guidance document and screen shots of their dashboard) and asked for an ombudsman to consider his complaint.

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, my decision is not to uphold this complaint, and I'll explain why.

I don't disbelieve Mr T when he says he's been the victim of a scam and I'm sorry to hear of his significant financial loss and the distress this has caused. Also, I fully understand his difficulty in producing evidence when his interaction occurred five years ago and his disappointment at the refund offer being a low percentage of his loss.

However, as the information which supports his account is very limited, my key finding here is that I can't be confident that the listed payments, made to his accounts with Firms B, C and P and then to crypto wallets, were for the scam. Without information such as details of the investment proposal, dialogue on agreed payments, payment instructions, promised returns, return attempts, unfortunately it isn't possible to confirm money was lost to the scam.

Also, prior to the scam, Mr T was making regular crypto payments and there is some conflicting information on file. Mr T says that he found out about the opportunity online but there is a call recording where he says something different. In addition, he says he researched and studied the company as part of his work. I appreciate the scammers may have persuaded or coached him to say this or perhaps, thinking he was making a significant profit, he didn't want the payments blocked. So, if his claim statement is true (that he found the opportunity on-line), when HSBC did intervene, they received information which prevented them from detecting a scam.

I'm also in agreement with our investigator that, even if there was evidence of a scam, it wouldn't be fair or reasonable to require HSBC to provide Mr T with a refund.

Firstly, while I appreciate the scam went on for some time and Mr T appears not to have made a withdrawal attempt until 2022 (which exposed the scam), it wasn't until sometime later that HSBC were made aware of the scam. So, although the funds would've probably been immediately taken upon crypto payment, they didn't have a realistic opportunity to attempt to recover any funds.

Secondly, the CRM Code (Contingent Reimbursement Model Code) which is relevant for payments made before October 2024 doesn't apply here. This is because the payments were made by card and / or to another account in Mr T's name.

Thirdly, when reviewing the file, I looked at the Payment Services Regulations 2017 (PSR) (see Appendix B) and I found the following:

- A. Payments 1 to 19 wouldn't have looked out of character or unusual. This is because they were for relatively low amounts and, prior to these payments, Mr T did make payments for similar amounts and to crypto accounts. Also, HSBC make thousands of payments like these each day and have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions. So, I wouldn't have expected HSBC to have been suspicious or have any concerns about these 19 payments.
- B. Payments 20 to 22 were for larger amounts than Mr T would normally make so I would've expected to have seen an intervention on payment 21 (when the total payments for the day exceeded £12,000). I appreciate this was because the payments were made by card and I think HSBC (in their refund offer) likely accept they missed an opportunity here to give Mr T scam education and warnings and to probe what he was doing to protect him from financial harm.
- C. Payments 39 to 41 and 46 to 47 were even larger (£30,000 in one and two days). So, even though HSBC intervened prior to this (on payments 32 to 34) I think further intervention opportunities were missed here.
- D. Although HSBC accept they should've intervened earlier, when they did intervene on payments 32, 33 and 34 they:

First issued a strong and relevant written warning (for payment 32). They showed Mr T a large amber warning sign which in bold print said, '*This could be a scam*' followed by:

- '*Fraudster can offer you what appears to be a genuine opportunity with high returns.*
 - *They can try to pressure you to invest your savings.*
 - *Take time to talk to someone you trust who is not involved with the investment.*
 - *Company names can be cloned. It's vital you contact the company on an independently verified number*
 - *Check the company is genuine and authorised by the Financial Conduct Authority {FCA} (name shown in bold)*
 - *Visit our fraud centre (shown in bold)*
 - *By choosing to continue, you agree you've read our warning and happy to proceed. You accept we may not be able to recover your money if it's sent to a fraudster account.'*
- E. Despite these written warnings and Company S not being authorised by the FCA they put in place two human interventions (33 and 34) with fraud and scam agents to give educational information on scams, scam warnings and to probe what he was doing.
 - F. As mentioned above, Mr T appears to have given them misleading information. Also, he led them to believe he'd checked the company was authorised by the FCA.
 - G. Considering Mr T's responses and the lack of information on what happened here, even if HSBC put interventions in place at earlier and later points, I think it more likely than not that he would've wanted to still go ahead and given similar responses. And I don't think HSBC would've been able to have detected a scam even if they pressed him on the company name and confirmed it wasn't on the FCA register.

So having considered all the above, whilst I'm genuinely very sorry that Mr T has experienced such a significant financial loss and I understand his dissatisfaction with HSBC's partial refund, I don't think their offer is unfair and unreasonable and I'm not upholding this complaint.

Appendix A – A table showing most of the payments Mr T made to Firms B, C and P. This includes all large payments which either triggered or should've triggered interventions.

Payment Number	Date	Payment Type	Payee	Amount
1	04/01/2021	Card	Mr T's account with Firm C	£900.00
2	04/01/2021	Card	Mr T's account with Firm C	£200.00
3	04/01/2021	Card	Mr T's account with Firm C	£150.00
4	05/01/2021	Card	Mr T's account with Firm B	£723.11
5	12/01/2021	Card	Mr T's account with Firm B	£1,000.00
6	22/01/2021	Card	Mr T's account with Firm B	£1,510.00
7	22/01/2021	Card	Mr T's account with Firm B	£1,230.19
8	28/01/2021	Card	Mr T's account with Firm C	£1,091.93
9	28/01/2021	Card	Mr T's account with Firm C	£160.00
10	01/02/2021	Card	Mr T's account with Firm C	£260.00
11	08/02/2021	Card	Mr T's account with Firm B	£1,128.84
12	24/02/2021	Card	Mr T's account with Firm C	£982.98
13	05/03/2021	Card	Mr T's account with Firm C	£150.00
14	19/03/2021	Card	Mr T's account with Firm C	£300.00
15	19/04/2021	Card	Mr T's account with Firm C	£150.00
16	26/04/2021	Card	Mr T's account with Firm C	£150.00
17	04/05/2021	Card	Mr T's account with Firm C	£150.00
18	24/05/2021	Card	Mr T's account with Firm C	£459.12
19	24/05/2021	Card	Mr T's account with Firm C	£344.95
20	25/05/2021	Card	Mr T's account with Firm C	£6,239.18
21	25/05/2021	Card	Mr T's account with Firm C	£6,317.77
22	25/05/2021	Card	Mr T's account with Firm C	£5,186.07
23	25/05/2021	Faster	Mr T's account with Firm B	£1,270.00
24	26/05/2021	Faster	Mr T's account with Firm B	£1,725.00
25	08/06/2021	Card	Mr T's account with Firm C	£200.00
26	21/06/2021	Card	Mr T's account with Firm C	£150.00
27	13/07/2021	Card	Mr T's account with Firm C	£180.00
28	20/07/2021	Card	Mr T's account with Firm C	£150.00

29	06/08/2021	Card	Mr T's account with Firm C	£150.00
30	27/08/2021	Card	Mr T's account with Firm C	£200.00
31	09/09/2021	Card	Mr T's account with Firm C	£150.00
32	15/09/2021	Faster	Mr T's account with Firm P	£100.00
33	15/09/2021	Faster	Mr T's account with Firm P	£2,400.00
34	15/09/2021	Faster	Mr T's account with Firm P	£6,000.00
35	16/09/2021	Card	BINANCE	£100.00
36	16/09/2021	Card	BINANCE	£2,400.00
37	20/09/2021	Card	Mr T's account with Firm C	£200.00
38	20/09/2021	Card	Mr T's account with Firm C	£314.88
39	05/10/2021	Faster	Mr T's account with Firm P	£10,000.00
40	05/10/2021	Faster	Mr T's account with Firm P	£10,000.00
41	05/10/2021	Faster	Mr T's account with Firm P	£10,000.00
42	18/10/2021	Faster	Mr T's account with Firm P	£2,000.00
43	22/10/2021	Card	Mr T's account with Firm C	£400.00
44	25/10/2021	Card	Mr T's account with Firm C	£300.00
45	01/11/2021	Card	Mr T's account with Firm C	£275.00
46	03/11/2021	Faster	Mr T's account with Firm P	£20,000.00
47	04/11/2021	Faster	Mr T's account with Firm P	£10,000.00
48	11/11/2021	Faster	Mr T's account with Firm P	£1,000.00
49	11/11/2021	Faster	Mr T's account with Firm P	£2,000.00
50	16/11/2021	Card	Mr T's account with Firm C	£150.00
51	18/11/2021	Card	Mr T's account with Firm C	£400.00
52	19/11/2021	Card	Mr T's account with Firm C	£160.00
53	19/11/2021	Card	Mr T's account with Firm C	£600.00
54	21/12/2021	Card	Mr T's account with Firm C	£375.00
55	07/01/2022	Card	Mr T's account with Firm C	£300.00
56	01/02/2022	Card	Mr T's account with Firm C	£200.00
57	03/02/2022	Card	Mr T's account with Firm C	£150.00
58	07/02/2022	Faster	Mr T's account with Firm P	£1,100.00
59	24/02/2022	Faster	Mr T's account with Firm P	£250.00
60	12/03/2022	Faster	Mr T's account with Firm P	£1,000.00
61	15/03/2022	Faster	Mr T's account with Firm P	£1,000.00
62	28/03/2022	Faster	Mr T's account with Firm P	£1,200.00
63	28/03/2022	Faster	Mr T's account with Firm P	£500.00
64	29/03/2022	Faster	Mr T's account with Firm P	£300.00

65	12/04/2022	Card	Mr T's account with Firm C	£150.00
66	25/04/2022	Card	Mr T's account with Firm C	£150.00
67	09/05/2022	Card	Mr T's account with Firm C	£150.00
68	23/05/2022	Card	Mr T's account with Firm C	£394.82
69	23/05/2022	Card	Mr T's account with Firm C	£436.11
70	30/05/2022	Card	Mr T's account with Firm C	£500.00
Total				£119,914.95

Appendix B

The Payment Services Regulations 2017 (PSR)

Under the PSR and in accordance with general banking terms and conditions, banks should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. There's no dispute that Mr T made the payments here, so they are considered authorised.

However, in accordance with the law, regulations and good industry practice, a bank should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

Banks do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions.

So, I consider HSBC should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.
- Have systems in place to look for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

My final decision

For the reasons mentioned above, my final decision is that I'm not upholding this complaint against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 23 February 2026.

Paul Douglas
Ombudsman