

The complaint

Mr K complains HSBC UK Bank PLC (“HSBC”) failed to protect him from financial harm when he fell victim to a scam.

Mr K has appointed a professional representative who brought this complaint on his behalf. However, for ease, I will simply refer to “Mr K” throughout my decision, even when referring to submissions made by his representative.

What happened

The facts of this complaint are well-known to both parties, and I outlined these again briefly in my provisional decision. So, I will not repeat them again here.

I completed a provisional decision on this complaint on 9 January 2026 setting out why I don’t think this complaint should be upheld. In that decision I said:

“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 am not intending on upholding this complaint. And I’ll explain why. Mr K hasn’t disputed making these payments, so for the purpose of the Payment Services Regulations, these are considered as authorised payments. Usually, consumers liable for authorised payments and banks are liable for unauthorised payments. But there is some responsibility on banks to monitor their clients’ accounts and be on the look-out for potential scams that might be affecting their clients. And in such situations, the Banks should consider intervening and taking steps to protect their customers or asking questions to uncover any potential scams.

Should HSBC have intervened in the payments in attempt to protect Mr K from financial harm?

After reviewing the payments listed above, I agree that HSBC should’ve intervened at Payment 8. This is because while I agree Mr K has a history of trading on his account and has made regular larger payments on his account in the past, this was the third consecutive payment to Coinbase on the same day totalling £6,000. And with the rise in cryptocurrency scams I think HSBC should’ve identified that the volume and frequency of these payments was suspicious and it should’ve provided a tailored written warning. This means, before allowing the payment to be processed, HSBC should’ve highlighted (in writing) the potential that Mr K could’ve fallen victim to an investment scam.

So, I must now turn to causation. Put simply, I need to consider whether HSBC’s failure to intervene caused Mr K’s losses. To do this, I need to reflect on whether such an intervention (described above) would have likely made any difference.

I have reviewed the WhatsApp and Telegram chats between Mr K and the scammer. This is a lengthy chat. Mr K and the scammer spoke many times daily from their first interaction in September 2024. They discussed what they were eating, where they were going and what

was happening in each other's lives. I believe Mr K built a close relationship with Mr K, and he confided in her about his recent separation – which he says he hadn't told anyone else.

The scammer mentioned her trading activity but didn't pressurise Mr K into investing initially. Mr K asked her about her trading activity and showed an interest in joining her. Mr K also seemed keen to do this as he expressed wanting to have something in common with her. The first payment Mr K made of £500 was for an initial small trade, and the scammer's trading portal showed a profit. The scammer offered to help Mr K withdraw the money if he wished but Mr K said he wanted to use that to reinvest. The following payments, all made in quick succession were to build up funds for the second trade opportunity the scammer offered. At this time Mr K had no indication this was a scam. He had seen a realistic return on his first trade and had every intention of trading again.

So had HSBC provided a written scam warning at this time, I don't think this would've made a difference to Mr K's decision to make the payment. I say this because as he believed he had made a return on the first investment, I think Mr K had confidence in this opportunity and he also wanted to continue to get closer to the scammer.

Should HSBC have intervened further in the payment series in order to protect Mr K from financial harm?

I've considered the payments made after this point to see if there is a point at which I think HSBC ought to have intervened again. I think there is a valid argument that HSBC ought to have also intervened at Payment 11, 14 and 20. However, even in the event that HSBC had intervened again, I still don't think this would've made a difference to Mr K's decision to make these payments. I'll explain why.

As time went on, the WhatsApp chat demonstrates that Mr K fell deeper under the scammers spell. Mr K had asked the scammer for a loan and believed he had borrowed a large sum of money from her company, which he was stressed about repaying. He also believed he had made a large profit in his trading account but could only access this money when the loan had been repaid. So, Mr K was keen to continue to put money into the scam in order to receive the profits he thought he had already made. He also showed a keenness to continue to invest, despite having already sent them most of his liquid capital. But the way this scam operated gave Mr K the impression that he would reap the profits after he had paid off the money borrowed. It seems Mr K was completely convinced by this opportunity, and I don't think he would've taken any notice of any warning from HSBC.

In addition, I've seen evidence that Mr K received written warnings from another bank he was using to make these payments, and one payment went under review as it was flagged as potential scam payment. Mr K didn't take note of these warnings; in fact, it appears he moved the money elsewhere in order to transfer it into Coinbase to send to the scammer. Even at the end of the chat history between Mr K and the scammer, Mr K doesn't seem to have realised that he had been scammed, and he didn't complaint about this until months later. So, I think Mr K was determined to make the payments and was fully convinced that this investment was genuine, despite other warnings and signs.

So overall, I don't think it would be fair to hold HSBC liable for Mr K's losses. Even though I do think HSBC should've intervened I don't think Mr K would've changed his decision to invest.

There is also the expectation that HSBC ought to try and recover the money lost once it is aware of the scam. The success of this largely depends on the scam being reported as quickly as possible. In this case, Mr K didn't report this until months later, and as the funds were transferred to an unknown cryptocurrency wallet, I don't expect they would've been

able to recover any of the funds lost. So, I don't expect HSBC to have done anything further."

Following this, I invited both parties to respond to my provisional decision with any points they wished me to consider before I reached my final outcome. HSBC hasn't responded with any further points for me to consider, but Mr K has. I will consider these below.

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 reconsidered the evidence and the comments raised in response to my provisional decision, I am not upholding this complaint. I'll explain why.

Mr K says that by Payment 11 HSBC ought to have carried out a human intervention, and asked questions about the payment purposes and the circumstances surrounding the payments. As I set out in my provisional decision, I agree that HSBC ought to have intervened again at Payment 11. However, even if HSBC had made human contact at this point and asked some questions about the payments, I am not persuaded it would've been able to uncover the scam, and I am not persuaded that Mr K would've decided not to send the payment even if HSBC warned him about such scams.

This complaint is about more than a cryptocurrency scam; this was also a romance scam. The evidence leads me to believe Mr K had developed a relationship of trust and dependency with the scammer based on the conversations they were having daily over WhatsApp. Mr K expressed feelings for the scammer and believed the feelings to be mutual. The way he spoke to the scammer was not how someone would speak to a business colleague or their investment broker. And I think it's fair to say this influenced how Mr K would've reacted to any warnings about the money he was sending her.

Mr K had seen warnings from other banks, and I agree he initially had some doubts, but at the time of Payment 11 it seems Mr K was invested in his relationship with the scammer as well as his actual investments. At times when other banks were restricting his transfers, he moved money around to make sure the payments were made as requested by the scammer. It seems he felt that his involvement in this investment opportunity was bringing him closer to the scammer on a personal level. Even when he was struggling to withdraw any of the presumed profits, Mr K didn't realise he had been scammed, which shows the level of trust he had with the scammer.

It is difficult to come to a conclusion on what would have happened had the circumstances been different. But based on all the evidence I've seen across Mr K's complaints in relation to this scam, I am not convinced that any intervention of any kind from any of the banks would've stopped Mr K from sending the scammer money. He was under the impression that both himself and the scammer were investing their money into the same trade ideas, and they were relying on each other to make money for their joint future. So I don't think Mr K would've paid any attention to anything HSBC would've said here as he believed he had a genuine relationship with the person helping him with his investments.

So, for these reasons, I am not upholding this complaint.

My final decision

I am not upholding this complaint.

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

Sienna Mahboobani
Ombudsman