

## **The complaint**

Mr C complains that HSBC Bank Plc (HSBC) is refusing to refund him the full amount he lost as the result of several scams.

Mr C has previously been represented by a third party. To keep things simple, I will refer to Mr C 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 C has explained that he fell victim to 6 separate investment scams between April and September 2024. He made payments towards scams 1, 2, 3 and 6 from his HSBC account and payments were made in relation to the other two scams from an account he held elsewhere.

### *Scam 1*

Mr C received a message via a well-known messaging application from an individual I will call "W" and a friendship built between them. W claimed to work for an investment company overseas and could help Mr C make a profit via a trading platform.

Mr C opened cryptocurrency accounts with a well-known cryptocurrency exchange having been guided by W to do so and started to invest.

To invest further W persuaded Mr C to take what appeared to be a loan from the investment company, but when he tried to withdraw his profits, he was required to pay more fees and settle the balance of the loan.

### *Scam 2*

Mr C was approached via social media by an individual I will call "X" a friendship with X started to form and the conversation moved to a well-known messaging application where it developed further.

X guided Mr C to open a second cryptocurrency account with another well-known cryptocurrency exchange, as well as an account with a trading platform.

Mr C started to make payments and was pressured by X to make further payments to generate increased profits.

X said she had sent a large amount into Mr C's trading account, but when he contacted customer services his account was locked and he was told he would have to make a substantial payment to unlock it.

### *Scam 3*

Mr C was part of a messaging group and was introduced to a trading platform I will call "Y". Within the same group Mr C was given buying signals and placed what he thought was genuine trades with Y.

When Mr C decided to make a withdrawal from his account with Y he was given various reasons he would have to make further payments first.

### Scam 6

Mr C found an advertisement via social media for a company I will call "Z" advertising crypto mining. Mr C contacted the individual via a messaging application and was promised returns of multiple times his investment.

In a short period of time Mr C appeared to have made a significant profit but when he attempted to withdraw the profits, he was again told he would have to make further payments first.

HSBC has refunded Mr C 50% of what it says are cryptocurrency related payments from payment 4 onwards inline with the CRM code, as well as other payments in full.

Mr C made the following payments and received the following refunds from HSBC in relation to the scams:

Payment	Date	Payee	Payment Method	Amount	Refunded
1	26 April 2024	Payward	Transfer	£1,500.00	£0.00
2	9 May 2024	Mr C	Transfer	£800.00	£0.00
3	13 May 2024	Coinbase	Debit Card	£100.00	£0.00
4	14 May 2024	Moonpay	Debit Card	£2,500.00	£1,250.00
5	15 April 2024	CRO	Debit Card	£2,495.76	£1,247.88
6	17 May 2024	Noble Digital	Transfer	£10,000.00	£10,000.00
7	31 May 2024	CRO	Debit Card	£519.95	£259.98
8	6 June 2024	Mr C	Transfer	£10.00	£0.00
9	6 June 2024	Mr C	Transfer	£100.00	£0.00
10	6 June 2024	Mr C	Transfer	£6,500.00	£0.00
11	7 June 2024	Moonpay	Transfer	£2,500.00	£1,250.00
12	9 June 2024	Moonpay	Transfer	£2,500.00	£1,250.00
13	10 June 2024	Individual 1 (P2P)	Transfer	£165.30	£165.30
14	14 June 2024	Individual 2 (P2P)	Transfer	£2,000.00	£2,000.00
15	14 June 2024	Individual 2 (P2P)	Transfer	£1,409.60	£1,409.60
16	16 June 2024	KMP Digital (P2P)	Transfer	£1,500.00	£1,500.00
17	17 June 2024	Individual	Transfer	£2,055.75	£2,055.75
18	17 June 2024	Bitstamp UK Ltd	Transfer	£100.00	£50.00
19	17 June 2024	Individual 3 (P2P)	Transfer	£100.00	£100.00
20	17 June 2024	Individual 3 (P2P)	Transfer	£1,130.00	£1,130.00
21	12 July 2024	BitStamp	Transfer	£2,500.00	£1,250.00
22	12 July 2024	BitStamp	Transfer	£1,500.00	£750.00
23	12 July 2024	BitStamp	Transfer	£1,000.00	£500.00

24	13 July 2024	BitStamp	Transfer	£2,400.00	£1,200.00
25	13 July 2024	BitStamp	Transfer	£2,000.00	£1,000.00
26	13 July 2024	BitStamp	Transfer	£1,950.00	£975.00
27	14 July 2024	BitStamp	Transfer	£1,325.00	£662.50
28	15 July 2024	Individual 4 (P2P)	Transfer	£1,647.00	£1,647.00
29	4 September 2024	BitStamp	Transfer	£1,000.00	£500.00

Our Investigator considered Mr C's complaint and didn't think it would be reasonable to ask HSBC to refund any more of Mr C's loss. Mr C disagreed, 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 C has fallen victim to cruel scams. The evidence provided by both Mr C and HSBC sets out what happened. What is in dispute is whether HSBC should refund the money Mr C lost due to the scams.

#### *Recovering the payments Mr C made*

Mr C made payments in relation to the scam via card and transfer.

Most of the payments Mr C made were made either to another account in his name, or to cryptocurrency exchanges in exchange for cryptocurrency that was provided to him. There was also peer to peer crypto exchanges with individuals but as the people involved are third parties unrelated to the scam the funds cannot be recovered. As it took further steps for those funds to end up in the hands of the scammers any attempt to recover the payments would have no prospect of success.

There also seems to be transfers that was made directly to individuals but as they have already been refunded it does not need to be recovered.

For the remaining payments I can see that HSBC attempted to contact the operator of the payee accounts but was unable to recover any funds. So, I don't think HSBC had any other reasonable options available to it to recover the payments Mr C has disputed

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

It has been accepted that Mr C authorised the payments that were made from his account with HSBC, albeit on the scammer's instructions. So, the starting point here is that Mr C 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 scams and intervened when the payments were being made. And if it had intervened, would it have been able to prevent the scams taking place.

The first payments Mr C made in relation to the scams were not of such a significant value

that I would have expected HSBC to have had concerns Mr C could have been at risk of financial harm and intervened. However, when Mr C made payment 6 he was making a more significant value payment and considering the value of the payment I think HSBC should have had concerns and it should have intervened.

I think that a proportionate intervention would have been for HSBC to have discussed the payment with Mr C with the view of finding out the background that led to it. But I don't think that this would have stopped the scam. I say this because of what happened when HSBC did intervene.

Multiple calls took place between HSBC and Mr C when the scams were taking place, most of the calls were when Mr C was calling to discuss a block on his card or account, and little intervention took place.

However, on the 9 June 2024 a call between Mr C and HSBC did take place and a more detailed conversation was had.

Mr C said he had found out about the investment online having searched it himself, nobody had directed him, and he understood the risk. Mr C also said he opened accounts with several legitimate cryptocurrency exchanges himself and was investing himself without any third-party involvement. These answers suggest that Mr C was answering questions in a way to ensure that the payments would go through.

Even though Mr C provided incorrect information to HSBC he still received a warning from HSBC where it explained the increase in investment scams it was seeing, including the use of screensharing software and being asked to make additional payments to withdraw profits. Though I note that this warning did not resonate with Mr C despite the scams he was falling for sharing similar features.

Considering the above I think it's unlikely Mr C would have provided any more honest answers to HSBC had it intervened further at other times when he was making payments in relation to the scams.

So, I don't think that a proportionate and appropriate intervention would have stopped the scam.

But even if I was to say HSBC should have done more and that further intervention would have made a difference, which for clarity I do not, I would only be able to consider Mr C's loss from the point that I think HSBC should have been concerned (payment 6). I would then have to consider whether Mr C contributed to his loss and apply a reasonable reduction to the redress I would award.

I say this because despite regulatory safeguards, there is a general principle that consumers must still take responsibility for their decisions (see s.1C(d) of our enabling statute, the Financial Services and Markets Act 2000).

In the circumstances, I would think it fair to reduce compensation by 50% on the basis that Mr C should share blame for what happened.

Mr C was introduced to the investments via unsolicited messages, and social media, Mr C had never met the individuals he was talking to and did not seek any kind of formal advice before making significant payments. In addition to this Mr C also provided incorrect information to HSBC about the payments and has accepted he was guided by the scammers.

### *The CRM code*

The CRM code only applies when domestic payments (as the result of a scam) are sent to another person. Here most of the payments Mr C made from his HSBC account were legitimate payments made to purchase cryptocurrency that was provided to him. The loss from the scams occurred when Mr C forwarded the purchased cryptocurrency on in relation to the scam. For this reason, I'm satisfied the CRM code wouldn't apply in this scenario.

With all the above in mind if I were to uphold Mr C's complaint (which I'm not) I would at most be looking to ask HSBC to refund 50% of the payments Mr C made in relation to the scam from payment 6 onwards. This amount would be considerably less than what HSBC has already paid/offered.

Mr C has made further points about why he thinks HSBC's offer is unfair, but as HSBC has already refunded more than I could ask it to (even if I were to uphold Mr C's complaint), it would not be reasonable for me to ask HSBC to provide any further refund.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 12 March 2026.

Terry Woodham  
**Ombudsman**