

The complaint

Mr O complains that HSBC UK Bank Plc won't reimburse money he lost to a cryptocurrency investment scam

What happened

The detailed background to this complaint is well known to both parties and has been previously set out by the investigator in their assessment. So, I won't repeat it again here. Instead, I'll focus on giving my reasons for my decision.

Mr O was introduced to an investment opportunity – which I'll refer to as H, by someone he knew that had already invested with H for six months. He said this person had already received their initial investment back and was only reinvesting using their profits. Mr O said he was shown a presentation about H and given details about the investment and how it worked. He was led to believe it was a legitimate investment opportunity. Mr O made a series of payments totalling around £40,000 between the period of January 2021 and May 2022. All but one of the disputed transactions were being made to Mr O's own cryptocurrency accounts, before he transferred the converted crypto assets onwards to the alleged investment platform. Mr O says that he not only facilitated payments for his own benefit, but for a number of other investors with H too. It was when Mr O encountered problems withdrawing funds he says he realised it was a scam.

Through his professional representative, Mr O raised a claim and complaint with HSBC, which was rejected before being brought to this service. HSBC weren't satisfied Mr O had fallen victim to a scam on the basis that he received a significant number of credits to his account as part of the scam. It therefore considered the matter a civil dispute.

One of our investigators looked into this matter. He was satisfied Mr O had fallen victim to a scam orchestrated by H. He considered HSBC ought to have intervened during the series of disputed transactions. He was persuaded had it done so, this would have prevented Mr O from making further payments towards the scam. He was also satisfied Mr O ought to bear some responsibility for the loss and that liability ought to be shared equally.

Mr O disagreed liability ought to be shared equally given the complexity of the operation behind H. He said HSBC's failure to intervene is what directly caused the losses and therefore his liability should either be removed entirely or significantly reduced.

HSBC also disagreed. It did not consider that it should be liable for any of the losses relating to other investors.

As an agreement couldn't be reached and with both parties asking for a decision, the case has been passed to me to decide.

I issued my provisional decision on 21 January 2026. In this I said:

What I've provisionally 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, for the reasons I'll set out below, I'm not minded to uphold this complaint.

The details of this complaint are well known to both parties. So, if there's a submission I've not addressed; it isn't because I've ignored the point. It's simply because my findings focus on what I consider to be the central issues in this complaint – that being whether HSBC was responsible for Mr O's loss.

That being said, I'd like to start with addressing Mr O's loss. I've carefully considered all the evidence provided by Mr O. Given all the activity going on, I don't have enough of a clear picture that satisfactorily establishes what Mr O's personal loss is, and what losses belong to the multiple other individuals he's said to have invested on behalf of. I'm mindful Mr O has provided detailed responses to our investigator during their investigation about individual transactions – both debits and credits that appeared potentially relating to the scam. But even Mr O has been uncertain with some of those. I would also point out that Mr O's account had cryptocurrency related activity that isn't in dispute, both before and during the period of the scam.

It's also important to point out, there is a complete absence of any specific evidence of payment instructions Mr O had received in relation to H. Furthermore, Mr O has only provided a small handful of emails that make reference H. The information found within them does not match them to the disputed transactions. Similarly, Mr O has provided very little in the way of evidence of his interactions with the other investors that specifically links them to H. And with those that do have reference to H, just as it is the case with the emails he's provided, the information does not match them to the disputed transactions. But even if I were satisfied that Mr O had clearly establish his loss and the losses that might otherwise belong to other investors, I wouldn't be upholding this complaint.

It isn't in dispute that Mr O authorised the transactions in question. He is therefore presumed liable for the loss in the first instance. However, HSBC is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to be good industry practice at the time, that it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

HSBC has advised that it has no record of any interventions that took place at the time Mr O made the disputed transactions. Having carefully considered Mr O's account activity, I'm not satisfied the disputed transactions ought to have appeared so unusual to HSBC that it ought to have intervened in them. I have reached this conclusion for the following reasons:

- *Mr O was making cryptocurrency related transactions, but that in and of itself does not mean that the transactions ought to have flagged as suspicious. Particularly as they were being made in 2021 and 2022. And the purchase of cryptocurrency is a perfectly legitimate exercise.*
- *For the majority of the disputed transactions Mr O was making, this was not the first time he was making a payment to this cryptocurrency account. It was a well-established payee.*
- *Whilst individually some of the disputed transactions were large in value, this was in keeping with how Mr O had historically operated his account. In fact,*

his account activity shows that he'd made payments to other known payees for sums of £10,000, £8,000, £6,000 and £5,000. The volume of these transactions was also in keeping with the disputed transactions complained of. It was also very common for Mr O's account to receive external credits before transactions were made – just as it was the case with the disputed transactions.

- *There was no pattern to the disputed transactions that ought to have given HSBC an increased degree of concern or suspicion that might indicate Mr O was falling victim to a scam. They were spread out across days, weeks and months.*

I acknowledge that it could be argued, as the investigator did, that HSBC ought to have intervened in some of Mr O's payments. However, even if I did agree with this argument, I do not think the level of intervention I would have expected would have made a difference in the circumstances. Given what I've addressed above regarding the payments themselves, including Mr O's account history and when they were made, I'm persuaded that a proportionate intervention to the arguable risk identified would have been for HSBC to provide Mr O with an automated written warning that broadly covered scam risks in general. I've not seen anything persuasive to suggest that such a warning would have resonated with Mr O had HSBC provided it. And I'm not satisfied a human intervention was warranted here.

Mr O's original complaint submissions make reference to the Contingent Reimbursement Model (CRM) Code as reason why he should be refunded his losses. But I'm not satisfied the CRM code applies here. Firstly, all but one of the disputed transactions are payments made directly to Mr O's own cryptocurrency accounts – these wouldn't be covered by the CRM Code. In relation to the debit card transactions, they also aren't covered by the CRM Code. The only disputed transaction that might be covered by the CRM Code, is the first faster payment being made to a third party – which I'll refer to as A, that Mr O has highlighted as being lost to the scam operated by H, made in January 2021.

What I've identified, there is a significant gap of seven months between this payment to A, and the next disputed transaction Mr O says was lost to H. Mr O hasn't provided any supporting evidence of a payment instruction he was given for A, that would otherwise show it was made in relation to H. Mr O's account also shows credits received into his account from A both before and after 4 January 2021, with one such credit clearly referencing 'refund' and other payments made to third parties also referencing A. There are also multiple other payments made directly to A that Mr O has not disputed and which he says relate to an entirely different investment opportunity. In light of the absence of supporting evidence tying this single payment to H, alongside Mr O's comments and the surrounding activity I've referenced, I'm not satisfied this payment to A is covered by the CRM Code. That's because I'm not persuaded it was a payment made in relation to a scam, let alone a scam operated by H.

Lastly, I've considered whether there are any ways HSBC could have recovered the payments, but I don't consider it could have especially when I consider that Mr O's claim was not raised until two years after the final disputed transaction. And with the majority of Mr O's payments being made to his own cryptocurrency accounts where he bought genuine cryptocurrency with the funds which he sent on as part of this scam, he did receive what he paid for, even if he then lost it due to the scam.

Taking all the above points I've addressed, I do not find that HSBC has done anything wrong in the circumstances of this complaint and therefore I do not consider it responsible for any of Mr O's losses.

I invited further comments from both parties.

HSBC confirmed it had nothing further to add.

Mr O through his representative responded with comments. In summary he said:

- Following the investigator's request he provided full details of the third-party investors. He said he did so specifically so that this service could contact them directly, verify their involvement, and, if appropriate, join them to the complaint.
- No such follow up occurred. As such the evidence was never tested or corroborated. Mr O considers it was the responsibility of this service to pursue further information from those other investors.
- The absence of certain documentation, such as payment instructions or matching correspondence, must be viewed in context given how long ago the events took place.

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.

I'd like to thank Mr O for his comments, and I appreciate how disappointing it would have been to see that I had reached a different conclusion to that of our investigator. The Financial Ombudsman is designed to be a quick and informal alternative to the courts. I acknowledge the length of time Mr O's case has been with this service and the engagement he has had with our investigator throughout. But it's not for this service to act as forensic accountants or to obtain third-party witness statements. The complaint being considered is Mr O's – he is the eligible complainant here. And the responsibility in so far as evidencing losses belongs to Mr O, and this is something his professional representative ought to be aware of.

I would also highlight just as I have in my provisional decision that even when our investigator was trying to assist Mr O in understanding more about the numerous debits and credits to his account, there were still a number of entries where Mr O remained uncertain. And his response to my provisional decision does not provide any further clarity in that regard. I'm also satisfied Mr O has had sufficient opportunity to do so.

That said, I did explain that within my provisional decision that *'even if I were satisfied that Mr O had clearly establish his loss and the losses that might otherwise belong to other investors, I wouldn't be upholding this complaint'*. Mr O has not provided any response in relation to this and as such I don't seek to depart from what I've set out in that regard. It remains that I'm not satisfied the disputed transactions ought to have appeared so unusual to HSBC that it ought to have intervened in them. And even if I did agree that HSBC ought to have intervened, I do not think the level of intervention I would have expected would have made a difference in the circumstances.

Whilst I've carefully considered the appeal submitted by Mr O, it doesn't change the outcome I'd reached in my provisional decision.

My final decision

For the reasons give above, and in my provisional decision, my final decision is that I don't uphold this complaint.

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

Mark O'Connor
Ombudsman