

The complaint

Mr O complains about the actions of HSBC UK Bank Plc when he lost money to a scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In early 2022 Mr O came across an investment advert on social media by a merchant (scammer). After completing some checks on the scam merchant, he decided to start investing. Mr O then started making payments from his HSBC account to an account he held with an Electronic Money Institute (EMI) and then later in the scam directly to two genuine crypto exchanges. In total he sent around £45,314 towards the scam between 19 February 2022 and 30 April 2022. But he realised he had been scammed when he was repeatedly asked for taxes to withdraw his earnings from the scammers fake platform.

So, Mr O raised a claim with HSBC. HSBC considered the claim but said it hadn't done anything wrong so wouldn't be offering a refund. But it then made two small refunds of £963 and £1,147.30 to Mr O.

Unhappy with that response and HSBC's refunds, Mr O brought his complaint to the Financial Ombudsman Service.

Whilst this service reviewed the complaint HSBC made a further offer to Mr O to refund around £10,279.23 which it paid into his account.

Our Investigator said that overall HSBC's offer was reasonable. She said that Mr O hadn't provided sufficient evidence that some of the earlier payments he made to the crypto exchanges (payments 1-4 and payment 6 as per her table) had been lost to the scam. She didn't think any further intervention by HSBC would've made a difference here based upon Mr O's responses to HSBC's reasonable intervention on payment 19.

Mr O disagreed and asked for an Ombudsman's review. He said that the earlier payments created a suspicious pattern to crypto exchanges which HSBC should've considered suspicious. He said that although he was being coached and manipulated by the point he spoke to HSBC on the phone, if HSBC had intervened earlier this may have uncovered the scam.

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, I'm satisfied the offers from HSBC are more than reasonable here. I'm sorry to hear that Mr O has been the victim of a cruel scam. I know he feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I have to make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

It is common ground that Mr O authorised the scam payments of around £45,314.92. I accept that these were authorised payments even though Mr O was the victim of a scam. So, although it wasn't his intention to send his money to scammers, under the Payment Services Regulations 2017 (PSRs) and the terms of his account, Mr O is presumed liable for the loss of his money in the first instance.

However, taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for HSBC to take additional steps or make additional checks before processing a payment in order to help protect customers from the possibility of financial harm from fraud.

I agree with the Investigator that that the first four payments weren't sufficiently unusual here for HSBC to have intervened. The payments weren't very large compared to the genuine payments Mr O made before, so wouldn't have stood out to HSBC here as unusual. I note there were then higher payments on 28 February 2022. Like the Investigator, although the size of the payment increased, I don't think HSBC would've been suspicious of those payments. They were still being sent to a known beneficiary (an account in Mr O's name) he'd paid before. As a result, I don't think those payments were sufficiently large enough to warrant HSBC stopping them and speaking to him about why he was making them. Even if HSBC did stop the payments on that day, I don't think it would've uncovered the scam anyway. I'll explain why.

When HSBC did stop payment 19 here it spoke to Mr O and asked him some reasonable and probing questions so it could understand why he was making it. However, he didn't provide accurate answers which mislead HSBC into reasonably thinking that the payment wasn't linked to a scam. When asked, Mr O denied that there were any third parties involved in him making the payment to the crypto exchange and he said that he was making the payment as a result of his own research. HSBC reasonably told him about schemes offering significantly higher returns and that it was aware of a lot of crypto scams where consumers are contacted and offered to open an account to trade on his behalf and if that's the case then it's likely a scam. But Mr O denied that anything like that was happening here. However, according to his initial submission to this service – that's what was happening to him.

As a result of the above, it's clear HSBC stopped a payment and provided Mr O with reasonable scam warnings that were relevant to his situation. I understand that the scammers can be influential, manipulative and had promised Mr O returns on his investment. But the role of HSBC is to point out common scams so that its customers can be made reasonably aware of what to look out for. And because I'm satisfied it did that here, I don't think I can reasonably ask it to provide a further refund.

The above means that I'm satisfied that even if HSBC had stopped any earlier or later payment here then the scam wouldn't have likely been uncovered. I think HSBC would've been provided with similar answers as it was when it stopped payment 19. And that it's more likely than not Mr O wouldn't have listened to any further warnings.

I appreciate Mr O disagrees and feels he would've listened to earlier warnings here and that payments to crypto on his account would've looked suspicious to HSBC. But I think he is understandably saying that with the benefit of hindsight, with his payments directly to the crypto exchange being made later in the scam and I'm more persuaded from the evidence closer to the time the scam occurred (the recorded telephone calls) which show he wasn't willing to provide honest answers so that he could send his money from his HSBC account.

So, I'm satisfied that the refund HSBC has already provided is more than reasonable in all the circumstances here. I also note that HSBC may have refunded payments that Mr O cannot necessarily show were a part of the scam (payments 1-4 and payment 6). So, even if there are further payments that he hasn't raised to HSBC it appears that it might have refunded payments that weren't a part of the scam.

Additionally, even if there were other payments HSBC and our service aren't aware of here, because I'm satisfied HSBC provided a reasonable intervention on payment 19, and this wasn't listened to, I'm not satisfied Mr O providing further payments where HSBC may have had more opportunities to intervene would've made a difference to the outcome for the same reasons I've highlighted above.

As a result, I'm not going to ask HSBC to provide a further refund to Mr O here.

Recovery

The Investigator has already clearly explained to both parties that the funds weren't recoverable here. Mr O made payments to an account in his name at the EMI and at genuine crypto exchanges before moving the money on to the scammers. So, it wouldn't have been possible for HSBC to recover Mr O's funds here.

I note there was one payment Mr O made via debit card to a crypto exchange. But a chargeback wouldn't have been possible here as Mr O received the service he paid for on his card.

I appreciate this will come as a disappointment to Mr O, and I'm sorry to hear that he has been the victim of a cruel scam. As a result, I'm not persuaded that HSBC can fairly or reasonably be held liable for his loss in these circumstances.

My final decision

For the reasons given above, I uphold this complaint in part. I'm satisfied the offer which has already been paid by HSBC UK Bank Plc to resolve this complaint is reasonable.

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

Mark Dobson
Ombudsman