

## **The complaint**

Mr D complains that HSBC UK Bank Plc (“HSBC”) won’t refund over £35,000 he lost to a cryptocurrency investment scam beginning in February 2022.

The details of this complaint are well known to both parties, so I won’t repeat everything again here. Instead, I will focus on giving the reasons for my decision.

## **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 agree with the conclusions reached by the investigator for the following reasons:

- It isn’t in dispute that Mr D authorised the disputed payments he made to his Binance wallet using his HSBC debit card (where his funds were subsequently transferred on to the scammers from his crypto wallet). The payments were requested using his legitimate security credentials provided by HSBC, and the starting position is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- However, I’ve considered whether HSBC should have done more to prevent Mr D from falling victim to the scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character.
- I appreciate that overall, Mr D has lost over £35,000 which is a significant amount of money. But this amount wasn’t paid in one large or ‘out of character’ transaction. It was spread over 11 separate smaller increments over the course of almost two months which, in my judgment, would not have appeared particularly unusual or out of character when compared with Mr D’s spending history.
- I appreciate there were occasions where Mr D made two payments to Binance on the same day, such as the disputed transactions made on 9 February 2022. But having reviewed Mr D’s statements and payment history, I don’t think this would’ve appeared unusual either. I can see in August 2021, for example, that Mr D had previously made several payments from his account, often on the same day, that were larger than the transactions he is now disputing as part of the scam.
- As a result, I’m not persuaded the payments he made to Binance ought to have been regarded as out of character or indicating that he might have been at risk of falling victim to a scam, as the transactions would not have represented a significant deviation from the sort of payments Mr D had made in the past.
- So, having considered the payments Mr D made to Binance, I’m not persuaded there was anything that ought reasonably to have triggered HSBC’s fraud monitoring systems,

or that would have indicated he was in the process of being scammed.

- I also appreciate that Mr D is also unhappy that HSBC did not raise a chargeback dispute for all of the transactions he reported. However, given Mr D received the goods he had paid for using his debit card (i.e. the cryptocurrency), any such claim would've had little prospect of success. I acknowledge he was successfully able to recover the money on one of the transactions, although it is not clear why. But ultimately, I don't think HSBC has acted unreasonably here by failing to pursue claims for all the disputed payments given the limited prospects of them all succeeding, so I'm not persuaded this warrants an award compensation in these circumstances.

I appreciate this will likely come as a disappointment to Mr D, and I'm sorry to hear he has been the victim of a cruel scam. However, in the circumstances, I do not consider it would be fair and reasonable to hold HSBC liable for his loss.

### **My final decision**

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 19 January 2024.

Jack Ferris  
**Ombudsman**