

The complaint

Mr C has complained that HSBC UK Bank Plc (HSBC) will not refund him the money he says he lost falling victim to a scam.

Mr C is being 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 told us that he held an investment with a business specialising in cryptocurrency. Mr C told us that this business stopped operating in the UK and his money was returned to him.

Mr C tells us he then received a call from an ex-employee for the above company that had helped him with the above investment. He told Mr C that he had moved company and now worked in the UK for a business called Future500FX Web Trader (X). This person asked Mr C if he still wanted to invest and explained an investment opportunity to him. Mr C was also told that he would be assigned a dedicated account manager who would trade on his behalf.

Mr C tells us he sent identification documents to X to open his trading account and X helped him make trades via the desk sharing application AnyDesk.

Mr C was initially able to see he was making a profit on his investment and as his confidence increased, he agreed to invest more, but some of his trades started to make a loss and his request to make a withdrawal from his account were ignored. By the time Mr C received a response from X his account balance had fallen to zero.

X explained that they had friends that could help save the account, but this would require further payments from Mr C.

At this point Mr C did some research of his own and found he had fallen victim to a scam.

When Mr C made his complaint, he said he had made the following payments from his HSBC account into the scam:

Date	Payee	Amount	Payment Method
09 May 2021	Ezinvest.com	£250.00	Debit Card
03 June 2021	Mpr2social.com	£216.15 (£5.94 fee)	Debit Card
15 June 2021	Morewebmarketing	£1,290.91 (£35.50 fee)	Debit Card
28 June 2021	Morewebmarketing	£4,295.45 (£118.12 fee)	Debit Card
06 July 2021	Morewebmarketing	£4,304.10 (£118.36 fee)	Debit Card
06 July 2021	Morewebmarketing	£430.50 (£11.83 fee)	Debit Card
13 September 2021	Ggcs1pay.com	£28.00 (£0.79 fee)	Debit Card
14 September 2021	Ematmarketingdigit	£4,273.45 (£117.51 fee)	Debit Card

Mr C has been unable to recover the payments he sent from his HSBC account.

Our Investigator considered Mr C's complaint but didn't think it should be upheld. He said he didn't have enough to confirm Mr C had fallen victim to a cryptocurrency scam, and even if he did, he didn't think HSBC was responsible for Mr C's loss.

Mr C disagreed so this complaint has been allocated 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.

Not every complaint referred to us and categorised as an investment trading scam is in fact a scam.

Our Investigator said he couldn't be sure Mr C had fallen victim to a cryptocurrency scam. The payments Mr C had highlighted as being part of the scam were not what we would typically see from a cryptocurrency scam. I tend to agree with this view, and I will explain why.

The first payment Mr C made was to a business called Ezinvest. This business is regulated in Cyprus and not considered to be related with any cryptocurrency scams. I have also not been able to find anything scam related to the second payment Mr C made to Mpr2social.com.

While this complaint has been with our service Mr C has accepted the payment made to Ggcs1pay.com is also not scam related, which leaves the remaining payments to Morewebmarketing and Ematmarketingdigit. Both payees appear to specialise in marketing and show no sign of being related to cryptocurrency investment.

In addition to the above, Mr C has not been able to provide sufficient evidence that a third party was involved in helping him with a cryptocurrency investment.

Even if I was to conclude that Mr C had fallen victim to a cryptocurrency scam, I would have to find that HSBC should have prevented the payments Mr C made.

Mr C has accepted he authorised the payments he made from his HSBC account, 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 values of the payments Mr C were making were below what I would have expected HSBC's fraud prevention systems to have been triggered by, and Mr C had previously made a high value payment in the months leading up to those he made listed above, so I don't think payments of a similar, or lower value, would have likely caused HSBC concern.

Although Mr C was making payments to new payees it would not be reasonable for me to say HSBC should stop payments every time one of its customers makes a payment to a new business.

Overall, I think it was reasonable that the payments Mr C made did not trigger HSBC's fraud prevention systems.

So, even if I were to find that Mr C had fallen victim to a cryptocurrency scam in the way he has described, I don't think the payments he made would have reasonably triggered HSBC's fraud prevention systems, so HSBC did not miss an opportunity to prevent the payments being made, and it is not responsible for his loss.

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 25 August 2023.

Terry Woodham
Ombudsman