

## **The complaint**

Mr D complains that HSBC UK Bank Plc (“HSBC”) have failed to refund money that Mr D lost as part of an investment scam.

## **What happened**

Mr D saw on a social media platform that a friend of his was making substantial profits investing in crypto. The trades shown on the social media platform looked professional and believable to Mr D. Mr D contacted his friend who put him in touch with the scammer that I will call B.

B explained that Mr D would need to purchase crypto via crypto exchanges and the funds would then be sent to B. Mr D made a number of transactions to these exchanges from a different bank which were forwarded onto B. After his “balance” on B had increased Mr D was told by B that he had to make a payment to cover taxes on his “profits”.

Mr D, after checking with his friend, made a payment via debit card on 18 January 2022 of £3,000 from his HSBC account to a crypto exchange which was then forwarded on to B.

After this point he was told by B that he had to make further payments to cover costs. During this back and forth Mr D says he discovered that his friend had been hacked and he had been conversing with B from the start and he had in fact been scammed.

Mr D raised a complaint with HSBC as he believed that HSBC should have stopped him from making the payment in question.

One of our investigators looked into this matter and they decided that the transaction was not sufficiently out of character to warrant an intervention by HSBC and that there was no other means of HSBC recovering the funds.

Mr D did not agree with this and therefore his complaint was passed to me to issue a final 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 payment he made firstly to the crypto exchange (where his funds were subsequently transferred on to the scammers from his crypto wallet). The payment was requested by him 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 transaction. For example, if it was particularly out of character. However, having taken Mr D's account activity and payment history into the account, I do not think the payment he is disputing should have been regarded as particularly unusual.

The payment was not of such a large amount that it would represent a significant deviation from what would be considered as 'usual' activity. I say this because I can see some large transfers of £3,000 a few weeks before the transaction in question.

So, having considered the payment Mr D made, 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 therefore do not consider there to have been any obligation on HSBC to have intervened any further.

I've also thought about whether HSBC did enough to attempt to recover the money Mr D lost. As the transaction was made with a debit card there are some circumstances where a chargeback would be successful.

But in this case, I do not believe that a chargeback would have been successful, as the payments were made to purchase crypto which Mr D received.

I appreciate this will come as a disappointment to Mr D, and I'm sorry to hear he has been the victim of a cruel scam. However, 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 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 1 December 2023.

Charlie Newton  
**Ombudsman**