

## **The complaint**

Mr D complains HSBC UK Bank Plc didn't do enough to protect him when he fell victim to two scams.

## **What happened**

Mr D has a savings account with HSBC. He lives in the UK but used to live abroad.

Mr D says he started speaking to a woman in mid-2022 who had contacted him via social media. He says that they had a lot in common and that she lived abroad in the same region he used to. Mr D says they spoke about everyday life and ultimately about money she'd made investing. Mr D says the woman he was speaking to introduced him to a third party who could assist him invest too. He says he sent £58,000 from his HSBC account between October and December 2022 which he believed was invested. Mr D says he initially made really good returns, but that his investment crashed in December 2022 as a result of which he owed the exchange he believed his investment was with money. He says at that point he assumed he'd made a bad investment. In fact, Mr D had been scammed.

Mr D subsequently fell for a similar scam. He sent a further £27,500 from his HSBC account between December 2022 and February 2023 as a result of this second scam. He contacted HSBC in March 2023 to report this second scam.

HSBC looked into the second scam for Mr D and said that there was not much it could do as all of the payments he'd made were international payments for which there was little protection. HSBC said that it had contacted the bank that had received the funds to see if any of his money could be recovered but hadn't been successful. Mr D was unhappy with HSBC's response and so complained to us.

One of our investigators started looking into Mr D's complaint about the second scam. Having done so, they said that it was important HSBC look into the first scam he'd fallen victim to before they went any further. HSBC did so. Having done so, HSBC said that there was not much it could do in relation to the first scam either as all the payments he'd made were international payments. At that stage, we started looking into both scams.

In relation to the first scam – the scam to which this decision relates – our investigator said that HSBC should have done more when Mr D attempted to make his third payment as there was enough at that stage for HSBC to have concerns that Mr D was at risk of being scammed. Our investigator thought that HSBC should have asked probing questions, and that the scam would have been uncovered had it done so. Our investigator also thought that Mr D should share liability as he'd been contacted out of the blue by someone he didn't know, hadn't been able to have a video call with that person and had been promised returns that were too good to be true. In the circumstances, our investigator thought that HSBC should refund 50% of the payments that Mr D had made in relation to the first scam from the third payment onward and pay 8% simple interest from the date of payment to the date of settlement. In other words, 50% of the payments Mr D had made from 2 November 2022 onwards – the equivalent to £23,500.

In relation to the second scam our investigator said that they didn't think HSBC had questioned Mr D as effectively as it could have done about the payments he was making and that it could and should have done more. Our investigator also thought that Mr D should share liability as he'd been contacted out of the blue by someone he didn't know, hadn't been able to have a video call with that person and had been promised returns that were too good to be true. In the circumstances, our investigator thought that HSBC should refund 50% of the payments that Mr D had made in relation to the second scam and pay 8% simple interest from the date of payment to the date of settlement.

Mr D accepted our investigators' recommendations in relation to both scams. HSBC didn't. HSBC said that Mr D had given misleading responses when it had questioned him about the payments he wanted to make and had given inaccurate information when he'd applied for an HSBC loan in order to make some of the payments in question. HSBC said that it believed Mr D would have gone ahead with the payments regardless of any bank intervention because of this. In the circumstances, HSBC didn't think it was fair to say that it should refund any of the payments he'd made. HSBC asked for both complaints to be referred to an ombudsman for a decision. So, both were passed to me.

### **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.

No-one appears to be disputing the fact that Mr D has fallen victim to two separate scams. I've heard Mr D say to HSBC that he has acted "stupidly" – HSBC's response was to point out that there are people who will scam others, who have no concerns doing so, and who are very convincing and manipulative. And that he shouldn't, therefore, believe he's acted "stupidly". I think HSBC was right to say this to Mr D – these types of scams can be very convincing. I also agree with our investigator – for the reasons that I'm about to give – that in this case Mr D should share responsibility for the losses as there were warning signs he could and should arguably have picked up on. But I can see that Mr D already accepts this – and that he was happy with our investigator's recommendations.

In this case, I'm satisfied that Mr D was contacted by a female scammer in mid-2022 and that by October 2022 he'd started sending payments that he was told were going to be used to invest. I can see too that in both October and November 2022 Mr D took out two large loans – one for £15,000 and one for £10,000 – from other businesses and that these loans were used to help finance the payments he was making. Our investigator thought that the third payment Mr D made in relation to the first scam – which was for £7,000 – should have raised concerns as he'd made an £8,000 to the same beneficiary a couple of days earlier. I agree. In some cases, I might have even said the second payment should have raised concerns, but I also think it's relevant here that the money was coming out of Mr D's savings account. Larger payments are often made out of those.

I'm satisfied that HSBC didn't flag any of the first three payments Mr D made. And that it only flagged the fourth payment he tried to make as that was initially for £15,000. That payment was rightly blocked and, because the answers Mr D gave when he was asked what the payment was for didn't deal with HSBC's concerns – even when he reduced the amount he said he wanted to pay to £6,000 – he was asked to go to a branch to discuss the payment he wanted to make. I agree with HSBC that Mr D gave misleading responses when he was asked what these payments were for, but I also agree with our investigator that had HSBC probed more – as it should in my opinion have done given that Mr D's responses made little sense – then either the scam could have been uncovered or HSBC could have refused to make the payments. HSBC instead allowed the payments to go.

## **Putting things right**

Given what I've just said, I agree with our investigator that:

- HSBC missed an opportunity to prevent Mr D from making further losses in relation to this scam; and
- HSBC should refund 50% of the payments that Mr D made in relation to the first scam from the third payment onwards and pay 8% simple interest from the date of payment to the date of settlement.

## **My final decision**

My final decision is that I'm upholding this complaint and require HSBC UK Bank Plc to refund 50% of the payments that Mr D made in relation to the first scam from the third payment onwards and pay 8% simple interest from the date of payment to the date of settlement. In other words, refund 50% of the £47,000 Mr D paid in relation to the first scam from 2 November 2022 onwards.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 6 February 2024.

Nicolas Atkinson  
**Ombudsman**