

The complaint

Mr A complains that HSBC UK Bank Plc (“HSBC”) won’t refund over £3,000 he lost to a job scam beginning in May 2023.

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 A has fallen victim to a scam here, nor that he authorised the disputed payments he made to his Binance wallet from his HSBC account (where his funds were subsequently transferred on to the scammer via cryptocurrency). The debit card 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 A 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 suspicious or out of character.
- Having reviewed the initial scam payments made by Mr A between 31 May and 1 June 2023, I don’t think these were enough in themselves to have warranted an intervention by HSBC, as they were not particularly unusual or high enough in value to indicate a heightened risk of financial harm. However, by the time he came to make the payment of £180 on 1 June 2023, I think there was enough unusual activity to give cause for concern. I say this because it was the fourth payment being made on the same day to a known cryptocurrency merchant, which HSBC ought to have recognised carried an elevated risk of being related to a scam. The cumulative value also then exceeded £3,000, which ought reasonably to have indicated to HSBC that there was a heightened risk of financial harm, given the escalating value of payments being made to a cryptocurrency platform.
- In response to this risk, I consider that a proportionate response from HSBC would’ve been to provide a written scam warning highlighting the key features of cryptocurrency investment scams, seeing as this was the most prevalent scam related to cryptocurrency payments in June 2023.
- However, Mr A wasn’t falling victim to an investment scam; he was instead caught up in an employment scam that made use of cryptocurrency wallets for the victim to top up their “work wallet”. So, any investment specific scam warning wouldn’t have likely

resonated with Mr A, because this was not the type of scam he was caught up in. And given job scams were not particularly common at the time, I wouldn't have reasonably expected HSBC to have included this in its cryptocurrency scam warning.

- As a result, while I agree HSBC could have done more here in light of the risk presented, I'm not persuaded that the type of warning it would've fairly and reasonably been expected to provide would have ultimately prevented Mr A's loss to the job scam. I therefore do not consider it can be held responsible for failing to prevent his loss.
- I also don't think there was anything more HSBC could've done to recover the money Mr A lost. In terms of the debit card payments, a chargeback claim would've had little prospect of succeeding, for example, given Mr A would've received the asset he had purchased (i.e. the cryptocurrency).
- I understand that Mr A is also unhappy with the poor service he received after raising his fraud claim. And I can see that HSBC's handling of matters could have been better, as it failed to follow up with Mr A to establish why he believed he'd been scammed, and he also wasn't put through to the relevant fraud department when he got in contact with the bank. I appreciate this would have been frustrating at what was already an upsetting time for Mr A. However, HSBC has offered £75 compensation, which I'm satisfied is fair compensation in all the circumstances for the distress and inconvenience its handling has likely caused. So, I will not be asking it to make any further award.

I appreciate this will likely come as a disappointment to Mr A, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded 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 A to accept or reject my decision before 11 June 2024.

Jack Ferris
Ombudsman