

The complaint

Mr H complains that HSBC UK Bank Plc (“HSBC”) have failed to refund money that he lost as part of a fake job scam.

What happened

Mr H was contacted via a messaging app and was offered a “job” by a scammer that I will call B. Mr H was told that he would be paid for completing a number of tasks that were essentially online reviews. But after completing some tasks he was told that he would have to send B crypto in order to unlock the money that he earned. Mr H said that he purchased crypto and forwarded it on to B. Mr H made the following payments using his HSBC debit card;

Transaction Number	Date	Amount
1	12 December 2022	£85.75
2	13 December 2022	£85.49
3	13 December 2022	£147
4	15 December 2022	£582.08
5	16 December 2022	£1,350
6	19 December 2022	£1,231.87
7	19 December 2022	£1,298.44
8	21 December 2022	£2,163.15

Mr H then tried to withdraw the “earning” that he had made and when he was told he had to pay further money a number of times to make a withdrawal he realised that he had been scammed.

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

One of our investigators looked into this matter and they decided that the payments were not sufficiently large enough or out of character to prompt an intervention from HSBC and therefore the payments shouldn’t be refunded.

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 H authorised the disputed payments he made using his HSBC debit card to the crypto exchange (where his funds were subsequently transferred on to the scammers from his crypto wallet). The payments were 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 H 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.

In this instance as the account was relatively new HSBC did not have enough account history to establish what Mr H's normal transactions looked like. The payments in isolation were not large enough and the pattern of spending was enough to be considered unusual to have prompted an intervention.

So, having considered the payments Mr H 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.

I've also thought about whether HSBC did enough to attempt to recover the money Mr H lost, as there are some instances where debit card transactions can be refunded through making a chargeback claim. But in this case, a chargeback would not have been successful, as the transactions Mr H used his debit card for was to pay for the purchase of cryptocurrency, which he duly received.

The money was subsequently lost from the crypto platform when Mr H transferred the funds to the scammer. So, he could not claim that he did not receive the goods or services paid for from his HSBC account, which was the purchase of the cryptocurrency. As a result, I don't think HSBC have acted unreasonably by failing to pursue a chargeback claim here.

I appreciate this will come as a disappointment to Mr H, 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 H to accept or reject my decision before 22 March 2024.

Charlie Newton
Ombudsman