

## The complaint

Mr C complains that HSBC UK Bank Plc (“HSBC”) didn’t do enough to protect him when he fell victim to a scam.

## What happened

Mr C fell victim to a scam which involved making a series of payments to simulate the purchase of items. He’d been led to believe this was a job he’d be paid for once he’d completed a set number of payments, or ‘tasks’.

Mr C, through his representative, told us he’d lost over £5,000 to this scam which took place in June 2023.

Mr C complained to HSBC. It responded in August 2023 but didn’t uphold his complaint. It said it had stopped the largest payment - £4,000 – and provided Mr C with scam advice. But that Mr C had stated that the money was being transferred to his own account and wallet which he had full control of. And as the remaining payments had also been made to an account in Mr C’s own name, it said it wouldn’t be refunding those either. It said these payments hadn’t been highlighted by its fraud detection systems at the time and weren’t deemed suspicious.

Unhappy with this, Mr C brought his complaint to this Service. Our Investigator considered this complaint, but she didn’t uphold it. She concluded that Mr C had hidden the truth from HSBC and didn’t think the scam would have been uncovered by further intervention as he wasn’t giving accurate answers to the questions.

Mr C disagreed. He felt that HSBC’s call had been ineffective and that more probing questions should have been asked. So the complaint was passed to me to decide.

I issued my provisional decision in August 2024. I said that I didn’t intend to uphold the complaint, and set out the following reasoning:

*As the payments were authorised, the starting position is that HSBC would be expected to carry out the payment instructions. But, taking into account relevant rules, codes, and best practice standards, I’ve thought about whether HSBC’s intervention was sufficient and whether it should have intervened on the other payments before processing them.*

*HSBC didn’t intervene on the first two payments. While they were paid to a cryptocurrency provider, they were both low value payments. So, I wouldn’t have expected it to do anything further here.*

*Following this, it appears that Mr C had attempted payments of £500, £1,000 and £4,000, leading to HSBC applying a block to the account and prompting a phone call from Mr C. I’d be minded to say that due to the amounts involved, human intervention wasn’t required here. Rather, a tailored written warning would have been sufficient. But given that there was a telephone conversation, I would expect a certain level of*

*questioning from HSBC. And I'm not necessarily persuaded that HSBC went far enough based on what I've heard. I say this because, during the call, several questions were asked in quick succession before allowing Mr C to respond – and I haven't been given the impression that his answers were adequately taken into consideration. So, I'm not satisfied that the intervention was sufficient.*

*However, I'm not persuaded that an appropriate warning would have led to a different outcome. This is based on the communication I've seen between Mr C and the scammer. When discussing a third-party business that Mr C was also using, or intending to use, to send funds for the purposes of completing tasks, the scammer told Mr C not to tell it he was buying cryptocurrency. He was told to say he was transferring money to a friend or buying something, such as furniture. It was also suggested that he say the money was being sent for his family and that it was "a matter of life". When Mr C encountered difficulties with transferring the money, he was told by the scammer to open a new multi-currency account, which he proceeded to do. So I'm persuaded that Mr C was under the spell of the scammer, and wasn't deterred from making payments by the suggestion he should give misleading answers to ensure his payments were processed.*

*This is also further supported by information provided by the third party. At the time of attempting to make a payment, it said it provided warnings before asking questions based on the given payment purpose. It asked, "have you been asked to pay an upfront fee in the promise of receiving a larger payment later?" to which Mr C responded "No". So I can see evidence that, when asked relevant questions, Mr C didn't provide accurate information.*

*Based on this, I don't think a warning in line with what I would reasonably have expected HSBC to provide would have uncovered the scam or stopped Mr C from making the payments. As he was persuaded by the legitimacy of the 'job' and the scammer at that time, I think it's likely he would have said what was needed to get the payments processed. And that means I don't think HSBC could reasonably have prevented Mr C's losses.*

I invited comments from both parties. HSBC had nothing further to add. But Mr C's representative, on his behalf, feels that a sufficient intervention would have exposed the scam. It said it didn't think Mr C was given any high-level coaching or meaningful cover story that couldn't have been torn through by HSBC as fraud experts – and that had Mr C told them he was transferring money for furniture or as 'a matter of life', it wouldn't have made sense and should have been identified as a red flag. It thinks open-ended and probing questions should have been asked during the intervention. It doesn't think it's fair to acknowledge that HSBC likely didn't go far enough but then absolve them of this failing. And it doesn't think it reasonable to suggest a sufficient intervention would have been ineffective.

Mr C's representative also said that banks are well aware of fraud trends which see victims open new multicurrency accounts – and that this isn't, in itself, an indicator of being deeply under the scammer's spell. They've said that HSBC should have conducted an intervention with the view to breaking any spells cast by fraudsters. And that even the most basic information about the signs of a job scam would have exposed the scam.

### **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.

I've carefully considered the points Mr C made in his appeal. Having done so, while I know it

will come as a disappointment to him, I still don't uphold this complaint.

I've acknowledged that HSBC didn't go far enough within the telephone conversation with Mr C – though I do note that during the limited questioning, Mr C gave assurances that the payment was being made for his own stock exchange investment.

I've thought carefully about what would have happened had HSBC intervened appropriately. Mr C's representative has pointed out that the cover story Mr C was given wouldn't have made sense. I do agree with this as it would be hard to make a persuasive link between purchasing furniture and making payments to a cryptocurrency provider.

But the crucial part here, in trying to determine a fair outcome, is thinking about what he thought he was paying for and what his intentions were. Mr C thought he was simulating the purchase of items. And his actions show us that he wasn't deterred from continuing by the *suggestion* he should mislead his banking providers. He then willingly did so both within the call to HSBC – saying he was investing in the stock exchange – and to the third-party whereby he was asked a question that fit the precise scenario he was in, and he gave an inaccurate answer. He seemingly didn't use the cover story he'd been given.

But I think the intention for Mr C was to do what he needed to in order for his payment – for a job he trusted at the time – to be made. This is supported by the opening of a new multi-currency account when he encountered difficulties with transferring money.

Mr C, persuaded by the legitimacy of the job gave misleading answers to two financial businesses. So, it follows that I don't think HSBC could reasonably have prevented his losses with an appropriate and proportionate warning.

I'm sorry Mr C has been the victim of a cruel scam. But I don't think it would be fair or reasonable to hold HSBC liable for his losses.

### **My final decision**

For the reasons given above, 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 27 September 2024.

Melanie Roberts  
**Ombudsman**