

## The complaint

Mr G complains that HSBC UK Bank Plc (“HSBC”) won’t refund money he lost when he fell victim to an employment scam.

Mr G is being represented by solicitors in this complaint.

## What happened

The detailed background to this complaint is well known to both parties. The facts about what happened aren’t in dispute, so I’ll focus on giving my reasons for my decision.

The complaint concerns seven transactions totalling just over £3,500 which Mr G made across the month of March 2024 in connection with a job opportunity – completing ‘tasks’ involving rating products to increase their visibility – with a company “H” who reached out to him on an instant messaging service. They explained that Mr G could earn wages through commission and a basic salary.

After opening an account with H, Mr G could see the tasks he had been assigned on the platform. Subsequently he discovered that certain tasks left a negative balance on his account. His ‘mentor’ told him that it meant he had been assigned a lucky bonus which allowed him to get a higher salary. It was explained that he would need to make the balance positive by depositing cryptocurrency in his account before any withdrawals could be made.

To make that deposit, Mr G used his HSBC debit card to purchase cryptocurrency from a cryptocurrency exchange. Once converted, the cryptocurrency was sent to cryptocurrency wallets as instructed by H. Mr G thought he was adding cryptocurrency to his account with H as the balance increased accordingly.

When his account balance with H kept going negative and he was instructed to add cryptocurrency, Mr G realised he’d fallen victim to a scam.

The following transactions, all card payments, are relevant to this complaint –

<b>Payment number</b>	<b>Transaction Date</b>	<b>Amount</b>
Payment 1	2 March	£55
Payment 2	2 March	£210
Payment 3	3 March	£316
Payment 4	3 March	£575
Payment 5	25 March	£480
Payment 6	31 March	£900
Payment 7	31 March	£1,000
	<b>Total loss</b>	<b>£3,536</b>

The transaction date refers to the actual date Mr G authorised the payment. In some instances, this is different to the date mentioned by Mr G's representative and the investigator – they have used the date the transaction was posted on the statement.

### **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'd like to start by saying I'm sorry to hear about Mr G's personal circumstances and how this incident has impacted him. I'd like to reassure Mr G and HSBC that although I've only summarised the background above, so not everything that's happened or has been argued is detailed, I have read and considered their submissions in their entirety.

I've seen the chat correspondence between Mr G and the individual he was communicating with. It's not in question that he was the victim of a cruel scam and it's very unfortunate that he's lost money. But HSBC doesn't automatically become liable to reimburse his loss.

Under regulations and in accordance with general banking terms and conditions, banks should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. There's no dispute that Mr G made the payments using his security credentials, and so they are authorised.

I've looked at the operation of Mr G's account and I don't consider the individual transactions in dispute to be that unusual such that I think HSBC ought to have had cause for concern. It wasn't uncommon for Mr G to make multiple transactions in one day. I can also see that he had previously used his debit card to pay international merchants. And the disputed amounts, which ranged between £55 and £1,000 were in keeping with the spending on Mr G's account in the 12-month period leading up to the transactions. I acknowledge that the transactions were cryptocurrency related. But that in and of itself doesn't mean that they ought to have flagged as suspicious. Buying cryptocurrency is a legitimate exercise.

All in all, I haven't seen any other factors at play here such that, in my view, HSBC should have been concerned and ought to have questioned Mr G when he authorised the transactions he disputes. What this means is that I don't consider HSBC acted unreasonably in processing the payments.

I've also thought about whether HSBC could have done more to recover the funds once it became aware of the situation, as in some circumstances the money can be recovered. These were debit card payments, so the recovery avenue would have been limited to raising a chargeback.

But Mr G's payments didn't go to the scammer directly, they went to a cryptocurrency exchange. He wouldn't be able to make a successful chargeback claim in the circumstances because the merchant he paid did provide the service requested (i.e., conversion of fiat money into cryptocurrency). So, I don't think HSBC was under any obligation to raise a chargeback dispute for Mr G. That said, I can see that it gave him the opportunity to submit a chargeback dispute if he wanted to.

In conclusion, I know that Mr G will be disappointed with this outcome. Despite my natural sympathy for the situation in which he finds himself due to the scammer's actions, for the reasons given, it wouldn't be fair of me to hold HSBC responsible for his loss.

**My final decision**

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 25 October 2024.

Gagandeep Singh  
**Ombudsman**