

## **The complaint**

Mrs W complains that HSBC UK Bank Plc did not carry out appropriate checks when she closed her investments with them.

## **What happened**

Both parties are aware of the circumstances of the complaint, so I won't repeat them again in detail here. In summary, Mrs W fell victim to a scam from September 2023 to January 2024, in which she was convinced to sell her investments with HSBC and purchase gold with the proceeds, which she handed over to a 'courier' who was actually a scammer.

Mrs W feels the appropriate fraud prevention measures were not carried out when she telephoned the investment helpdesk at HSBC to close all her investments. She raised this as a complaint with HSBC and they explained they spoke with Mrs W who confirmed she wanted to sell her investments to pass on her funds to her family. And they did not think they needed to do more in the circumstances.

The complaint was referred to our service and our Investigator looked into it. They explained that while they agreed a better warning should have been provided by HSBC when Mrs W asked to sell her investments, they did not think this could have prevented the scam at that point. This was because at that point it was the early stages of the scam and there were no other indications to HSBC that Mrs W may be at risk of financial harm.

Mrs W's representative did not agree with the findings and felt it was clear Mrs W was at a higher risk of fraud, as HSBC knew she was elderly and lived alone. They felt HSBC could have liaised with the police, involved a family member or had an in-person meeting with her before agreeing to close all of her investments.

As an informal agreement could not be reached, the complaint has been passed to me for a final 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.

When Mrs W called the investment helpline at HSBC to close her investments, I can see that she was asked for a reason why. She confirmed it was a family matter and she was passing on the funds to her family. Following on from this call, both Mrs W's relationship manager and wealth manager in HSBC contacted her to check the situation. Mrs W confirmed to both of them that she was looking to sell her investment to gift to her children and grandchildren.

I've considered whether HSBC's actions were reasonable or whether they should have done more as Mrs W's representative has argued, such as liaise with the police, include a family member or have a face-to-face meeting. On balance, I think the steps HSBC took at that point were reasonable and they were not required to take further action, I'll explain why.

Firstly, the kind of agreement Mrs W held with HSBC around her investments was important. HSBC did not offer an ongoing financial advice service and instead Mrs W had a set of one-off financial planning meetings. The terms and conditions of her agreement generally say that the agreement ends when any recommendations issued in the reports produced by the meeting are implemented or dismissed. So, I do not think there was an ongoing expectation that HSBC would advise Mrs W on her investments.

I do understand that the complaint here is centered around HSBC not taking steps to protect Mrs W from financial harm, rather than the lack of advice when she decided to close her investment. But I think the above sets out the general relationship between Mrs W and HSBC around her investments, and why I think it was reasonable a phone call to the general investment helpline at HSBC was sufficient for Mrs W to request a closure of all her investments.

While I appreciate the strength of feeling that the reason Mrs W gave for closing her investments was not plausible, I respectfully disagree. It is not uncommon for individuals, even elderly customers, to decide to close their investments and gift the funds to family members. In her 2018 financial review with HSBC, Mrs W said while she did not foresee needing to access the funds in the future, she didn't want to feel as though they were tied up, so she did not want penalties or charges to apply if she wanted to access them. And I note her wealth manager also stated he had discussed with Mrs W the possibility she would gift her investments to her family in the future. With this in mind, I do not think the decision alone to close her investments and move those funds to a savings account within her control in HSBC was unusual enough to warrant further preventative steps.

I appreciate that at a later date, other concerning factors became known to HSBC that I think should have been a sign Mrs W was at risk of financial harm. And some of these occurred while Mrs W's investments were in the process of being sold. But importantly, these factors were not present or known to HSBC at the time Mrs W requested for her investments to be sold on 21 September 2023. The only action Mrs W had taken at that time in connection to the scam was the selling of her investments. I've explained above why I feel the reasons she gave for selling the investments and the kind of relationship she had with HSBC meant no further steps needed to be taken by HSBC at that time. So, I do not think HSBC made an error when it followed Mrs W's instruction to close the investments and move the proceeds to her savings account with HSBC.

Even if I were to agree that a better fraud warning could have been provided at that point, I think Mrs W was suitably under the spell of the scammer that this would not have prevented her from closing her investments. I say this because similar later warnings also did not deter her from carrying out the instructions of the scammer. And I have explained above why I do not think HSBC needed to take further steps, such as involve the police or family, at this early stage.

I therefore do not think HSBC made an error when it followed Mrs W's instruction to close her investments.

### **My final decision**

I do not uphold Mrs W's complaint against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 1 April 2025.

Rebecca Norris

**Ombudsman**