

## **The complaint**

Mr M (on behalf of his business, MW) is unhappy Tide Platform Ltd (trading as Tide) won't reimburse his business account for the money lost when he fell victim to a scam.

## **What happened**

Mr M fell victim to a safe account scam. On 15 February 2023 he was contacted by individuals claiming to be from Tide, who said that MW's business account was at risk and that he needed to move the funds to a 'safe account' to protect them. Unfortunately, and unknown to him at the time, Mr M was actually speaking with fraudsters.

Believing that he was genuinely dealing with Tide, Mr M ended up moving significant funds from MW's Tide account to another Tide account which the scammers gave him details of. In total, Mr M transferred over £32,000.

When the scammers then pressed him to also transfer funds from another account he held with a different bank, he realised he'd been the victim of a scam and immediately reported the matter to Tide to see if it could help stop the payments or recover the funds. Tide logged the fraud and contacted the third party bank the funds had been moved onto after they'd been sent to the 'safe account' to see if it could recover any of Mr M's funds.

On 12 March 2023 Tide refunded £6,111.68 to Mr M, as it had been able to recover these funds from the third-party bank. Tide messaged Mr M to tell him this and suggested he contact Action Fraud.

Mr M was unhappy with Tide's response, he'd raised a formal complaint about what had happened on 17 February 2023 and also felt that Tide was not properly responding to his concerns. Ultimately, on 16 March 2023, Tide issued Mr M with a final response to his complaint. It explained that it had looked into what had happened and felt that it could have prevented the fraud, so it offered to refund the remainder of the money Mr M had lost, a further £26,450.78.

Mr M did not accept this offer, he felt that Tide should also be paying compensation for the impact of what had happened on him and his business. So Mr M referred the matter to our service.

One of our Investigators looked into the complaint. Ultimately, and given that Tide had accepted that it could have prevented the fraud here, our Investigator found that Tide should pay some compensation to Mr M. They recommended Tide pay interest of 8% on the funds from the date of the payments to the date of settlement, and an additional £160.01 for inconvenience and to cover a fine Mr M's business had received as a result of not having access to the funds.

Neither Mr M nor Tide was happy with the investigator's findings. Mr M feels that the compensation offered does not go far enough to recognise the impact of what happened on his business. Tide agreed to pay the £160.01 but does not think it is fair for it to pay 8% interest. It says the funds would have been returned to Mr M much earlier if he had accepted

the refund when it was first offered, and does not think it's customer service was as poor as Mr M claims.

As no agreement could be reached, the case has now been passed to me for a 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've reached the same conclusions as our Investigator, and for the same reasons.

Given that Tide has accepted that it could have prevented this fraud, and has refunded the full amount lost to the scam, I do not intend to go into any further detail about that issue. The only issue remaining to consider is that of compensation.

Mr M has provided detailed submissions about the impact of what happened, I won't detail all he has said here, but I want to reassure him that I have thought carefully about everything he has told us. And I don't doubt that what has happened had a serious impact on him and his business.

However, I also must bear in mind that the root cause of what happened here is that Mr M was the victim of a crime. At least partial responsibility for the impact of what happened here must lie with the scammers. And I also think it's worth noting that Tide had offered to refund the full amount lost by 16 March 2023, around a month after the scam happened. I appreciate that Mr M did not want to accept that offer at the time, but given the impact he has said all this was having on his business I think accepting the refund of the lost funds (and then continuing to pursue further compensation separately, as he did when he ultimately accepted the refund in May 2023) could have helped limit this impact. With all this in mind, I don't think I can reasonably say that Tide is wholly responsible for the full impact on his business that Mr M has detailed to us.

I also consider that, while no doubt frustrating to Mr M that he was not getting answers as quickly as he hoped, it was reasonable for Tide to need some time to look into what had happened and to try to retrieve the funds from the bank they were ultimately passed to. Until it had properly investigated the fraud, Tide would not have known exactly what had happened or been able to identify where things had gone wrong.

I do though agree that there was poor service provided here, particularly regarding Mr M's correspondence with Tide. Tide has confirmed that it closed a chat session without giving time for Mr M to reply, and that Mr M was sent messages that were not relevant to him, adding to his frustrations. And there were delays in Tide providing meaningful updates to Mr M.

Our investigator set out compensation as 8% interest on the lost funds from the date of payment to the date of settlement, plus an additional amount for inconvenience. Tide have argued that the amount of interest they're being asked to pay is higher because Mr M delayed accepting the refund offered on 16 March 2023 until May 2023, and I can understand why they feel that way. However, I think it could also be argued that Tide did not need to wait for Mr M to accept the offer before refunding the scam payments to his account.

In any case, my role here is to decide, overall, what is a fair and reasonable way to resolve this complaint. And, in the round, I consider that the compensation recommended by our investigator is reasonable in the circumstances. The interest payment is intended to

recognise the impact that the loss of use of the funds had on Mr M and his business, and I consider that, along with the additional payment to recognise further inconvenience, is a fair resolution to this complaint.

I know this will be very disappointing for Mr M, given the compensation he has asked for, but I hope he will understand the reasons for my decision.

### **Putting things right**

To resolve this complaint Tide should:

- Pay 8% simple interest per annum on the disputed payments, calculated from 15 February 2023, until the date the funds were returned to MW's account.
- Pay an additional £160.01

### **My final decision**

I uphold this complaint. Tide Platform Ltd (trading as Tide) should put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask MW to accept or reject my decision before 7 December 2023.

Sophie Mitchell  
**Ombudsman**