

## **The complaint**

Mr R has complained that ClearBank Limited (trading as Tide) won't refund the money he lost after falling victim to a scam.

## **What happened**

In late 2023, a scammer attempted a payment on Mr R's account which was rejected. The scammer then spoofed Tide's number to text Mr R about the failed payment, saying Tide would call him. The scammer called Mr R from an anonymous number, and told him his money was still at risk. They persuaded him to move his funds to a "safe account" they'd set up for him, though the name on the account didn't match, and this was actually the scammer's account. Mr R sent the scammer over £23,000 over the course of 5 transfers.

Mr R reported the scam to Tide, who tried to recover the funds. But the receiving bank confirmed that the money had already gone by the time Mr R had reported the matter. Tide accepted they should've intervened at the point of the third payment involved, though they pointed out they'd warned Mr R about this very type of scam when he set up the new payee, and they'd informed him that the name didn't match. They offered to refund 50% of the loss from the third payment onwards (a little over £6,000) plus compensatory interest.

Our Investigator looked into things independently and found Tide's offer to be fair. Mr R asked for an ombudsman's final decision, so the complaint's been passed to me to decide.

## **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 understand that Mr R fell victim to a cruel scam, and so he has my sympathy. I appreciate this can't have been an easy time for him, not least as he had a lot going on more generally, and I appreciate why he feels that his money should be returned. It's worth keeping in mind that it's the scammer who's primarily responsible for what happened, and who really owes Mr R his money back. But in this dispute between Mr R and Tide, I can only look at what Mr R and Tide are responsible for. Having carefully considered everything that both sides have said and provided, I think Tide have already offered fair compensation for their role in things going wrong. I'll explain why.

I will first explain that we're not the regulator – that's the Financial Conduct Authority (FCA). We don't set business' processes or regulate how the industry works more widely. We're an informal dispute resolution service, here to decide individual complaints about individual situations. So I'm not best placed to address Mr R's concerns about how he thinks banks should educate customers more widely. In this dispute between Mr R and Tide, my findings will be about what happened in this individual case.

There's no dispute that Mr R authorised the payments involved, even if he didn't intend for the money to go to scammers. So under the Payment Services Regulations and the terms of his account, Mr R is liable for the loss in the first instance. And broadly speaking, Tide had an obligation to follow his instructions – the starting position in law is that banks are expected to process payments which a customer authorises them to make.

Tide should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. Both parties accept that Tide should have intervened at some point here and spoken to Mr R, and I've thought carefully about when that point should've been.

I don't think Tide needed to intervene on the first two initial payments. This was a business account rather than a personal one, with a large balance, so it was equipped for large payments. And Mr R had historically made payments of relatively similar amounts in the preceding period. So the first two payments would not have looked quite unusual or out of character enough to require intervention for this particular account. And as they were only two payments so far, a pattern hadn't been established yet. While Mr R had stopped a card payment recently, Tide would be able to see that the transfers were being made on his device using his genuine security details, so they wouldn't have needed to be concerned that he was not authorising those payments himself. I do agree that Tide should've intervened at the point of the third payment. By that point there was an emerging pattern of substantial rapid payments going to a new payee, and by that point Mr R had spent a more concerningly large amount in a short time.

Had Tide intervened at that point and asked reasonable questions, it seems most likely that they could have uncovered the scam and stopped any further loss. Once Mr R did speak to Tide later that day, they were able to identify the scam and Mr R listened to them.

So I think that Tide bears some liability for the loss from the third payment onwards.

I've also thought carefully about Mr R's role in what happened. As the scammer spoofed Tide's number, I completely understand that their texts would've looked convincing, not least after they attempted a payment. And I appreciate that Mr R was trying to protect his account. But from what I can see, when Mr R set up the new payee, the Tide app informed him that the name on the account was not what he'd been told it was – showing the scammer was lying. But Mr R chose to proceed. Tide's app then gave a warning about this very type of scam, telling him not to proceed if the person pressuring him to make the payment claimed to be from Tide. But again, Mr R chose to continue. Further, while the text messages came from a number spoofed to look like Tide's, the phone call did not. The scammer didn't do anything further to verify themselves, and Mr R explained that he blindly pushed on and didn't take any steps to check who he was really talking to, such as contacting Tide himself, as he was so busy. And what the scammers told him wasn't entirely plausible. So I'm afraid I think Mr R ought to have had some more concerns along the way about what he was being asked to do.

So I don't think I can fairly hold Tide solely liable for the loss from the third payment onwards. I think Mr R should also share liability for that loss. As such, it seems fair for Tide to refund 50% of that loss. It's also right that they've added 8% simple interest onto that amount. That's there to compensate Mr R for the time he's been without that money, and it's the same rate the courts use in similar situations.

Finally, I've considered what Tide did to try to recover Mr R's money after he told Tide about the scam. I can see that Tide did get in touch with the receiving bank that same day, but unfortunately the scammer had already emptied the account before Mr R even spoke to Tide. So it wasn't possible for Tide to recover the funds by the time they were made aware of the scam. And Tide isn't signed up to the CRM Code for scams.

So while I'm very sorry to hear about what happened to Mr R, I think Tide have already made a fair offer to resolve the matter, and I can't fairly tell them to do more here.

### **My final decision**

For the reasons I've explained, I find that ClearBank Limited (trading as Tide) have already made a fair offer to resolve the matter. Tide should pay out this offer, if they've not done so already. I don't make any further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 18 February 2025.

Adam Charles  
**Ombudsman**