

## The complaint

This complaint comes from a limited company I'll refer to as "T". Mr T, as director, is representing T. The complaint is about ClearBank Limited (trading as Tide) not refunding the money T lost in a scam.

## What happened

In 2023, T received a call from a scammer pretending to be from Tide, who tried to convince Mr T to move T's money to a "safe account". Mr T set up a new payee using the details the scammer provided, but realised it was a scam before paying anything.

However, the following month, when Mr T went to make a genuine payment, he selected the wrong payee by mistake and sent the scammer around £3,300.

Mr T reported this to Tide. But Tide didn't tell the receiving bank until nearly a day later. The receiving bank then took more than two further days to block the account, by which time the scammer had noticed the payment and emptied the account.

Tide apologised for their own delay and offered T £100 compensation. But they argued that the funds not being recovered was really due to the delay of the receiving bank.

Our investigator looked into things independently and upheld the complaint, on the basis that Tide had taken too long to deal with the matter. Tide didn't agree, so the complaint's been passed to me to decide.

I sent T and Tide a provisional decision on 1 April 2024, to explain why I didn't think the complaint should be upheld against Tide. In that decision, I said:

*T and Mr T do have my sympathy. I appreciate this can't have been an easy matter to face, and I appreciate why Mr T feels that T's money should be returned. It's worth keeping in mind that it's the scammer who's primarily responsible for taking the money, and who really owes T its money back. But in this complaint, I can only consider what Tide did. Having carefully considered everything that both sides have said and provided so far, I currently think that I can't fairly hold Tide liable for T's loss. I'll explain why.*

*It's not in dispute that Mr T authorised the payment involved, on behalf of T. So although he didn't intend for the money to go to a scammer, under the Payment Services Regulations, T is liable for the loss in the first instance. And broadly speaking, Tide had an obligation to follow T's 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. I've thought carefully about whether Tide should have done more in this case.*

*However, I don't think the payment involved was so unusual or out of character that Tide needed to intervene. While it was quite large, it wasn't so large that I'd have expected its size alone to have caused Tide to be concerned. And T had made much larger payments in the months before this incident, so it wasn't out of character for this account. It was only a single payment rather than multiple rapid ones, to a UK account, it didn't drain T's account, and it was authorised by the genuine customer.*

*Next, I've considered what Tide did to try to recover T's money after they were told about the scam. Tide accepts they should've acted more quickly, so I think it's right they offered T some compensation for the stress caused by their delay. But looking at the timings involved, I'm afraid Tide's delay is not what made the difference here. The money was still in the scammer's account when Tide reported things, and remained in the account for a day after. Ultimately, the receiving bank took so long to react, that even if Tide had contacted them as quickly as they were supposed to, the funds still would've been sent on by the time the receiving bank blocked the scammer's account. And I can't fairly hold Tide liable for the loss based on their delay, if that loss would've still most likely happened even without said delay.*

*So while I'm very sorry to hear about what happened to T, I'm minded to say that Tide did not cause the loss and shouldn't be held responsible. And so based on what I've seen so far, I can't fairly tell Tide to refund T's money in this case. T may wish to raise a separate complaint against the receiving bank, which our investigator can help him set up.*

I said I'd consider anything else anyone wanted to give me – so long as I received it by 29 April 2024. Tide accepted the provisional decision. Mr T raised some further points, which I'll talk about below.

### **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.

Mr T referred to his online support chat messages with Tide, where Tide told him that T's account was secure and there was nothing more he needed to do. Mr T argued that Tide should have instead gone through the account with him to ensure that T's payees were secure, and thereby blocked the scam payee.

I do understand where Mr T is coming from. However, I'm afraid I already gathered the chat history from Tide and took these chats into account before issuing the provisional decision. I found that Mr T did not mention at the time that he had actually set up a payee. He told Tide that he'd been contacted by someone impersonating them, who asked him to transfer the account balance. Tide explained that this was a known scam, he shouldn't go ahead, and he shouldn't engage with the scammers or give them any details. Mr T said he'd not provided them with any information.

Based on what Mr T told Tide at the time, I think Tide's response was broadly reasonable. His account was indeed secure, the scammers did indeed have no access to the funds, and as he hadn't told Tide about the new payee, it really would've looked like there was nothing more he needed to do. In this situation, there was no requirement for Tide to then go through T's payees with Mr T. As far as he'd told them, he was asked to make a payment, he didn't, and he didn't give any of his account details away. Tide then double-checked whether Mr T needed any further help, and as he didn't reply, they eventually closed the chat. So based on what he'd said, it would have looked like there was nothing more that needed to be done.

The reason the subsequent payment went out was not because T's account was not secure or because the scammers had any access to it. It was primarily because, unfortunately, Mr T made a mistake. And I absolutely sympathise with that fact – we're all human and all make mistakes. But I'm afraid I cannot fairly hold Tide liable for Mr T's mistake in this case.

Mr T pointed out that the name he'd entered for the recipient account didn't match the actual name on the account. And again, I understand his point. But according to the electronic records, Tide did notify Mr T of this, and Mr T chose the option to proceed anyway. So to Tide, it would have looked like Mr T was happy that the details were sufficiently correct. A mismatched name does not necessarily mean fraud – it could be a typo, a nickname or abbreviation, a difference between the business name and trading name, a technical issue, and so on. And per the provisional decision, I've not found any other reason why Tide would need to have blocked or intervened on that payment.

So while I do sympathise with T and Mr T, having reconsidered the case I've come to the same conclusions as before. As I mentioned, T may wish to raise a separate complaint against the receiving bank, given the delay involved on their end.

### **My final decision**

I don't uphold this complaint against ClearBank Limited (trading as Tide). Tide should pay T the £100 compensation they offered, if they've not done so already, but I don't make any further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 29 May 2024.

Adam Charles  
**Ombudsman**