

The complaint

Mrs W, director of G (a limited company) is unhappy Tide Platform Ltd won't reimburse G for the money it lost when Mrs W fell victim to a scam.

What happened

G is represented in this complaint by a solicitor, but for simplicity I will refer to G and Mrs W throughout this decision, even when referencing what those representatives have said on G's behalf.

The details of this complaint are well known to the parties involved, so I won't repeat them all here. But, in summary, Mrs W fell victim to a safe account scam. She was contacted by individuals claiming to be from Tide. Mrs W says he was told that G's Tide account was at risk – as were other accounts Mrs W and people linked to her held elsewhere – and that she needed to move money to a safe account to protect it. Unfortunately, and unknown to her at the time, Mrs W was actually speaking with fraudsters.

Believing that she was genuinely dealing with Tide, Mrs W ended up making the following payments out of G's Tide account, some of these payments were funded by money Mrs W had moved into G's Tide account from her personal accounts with another bank. All these payments took place on 7 July 2023.

Payment	Time	Amount
Payment 1	11:54	£9,111.79
Payment 2	11:59	£9,086.95
Payment 3	12:01	£6,794.09
Payment 4	12:13	£10,000
Payment 5	12:14	£120.14
Credit from Mrs W's bank	13:15	£2,000
Credit from Mrs W's bank	14:02	£15,000
Payment 6	14:04	£15,000

Mrs W realised she had been the victim of a scam when the fraudsters tried to get her husband and his business partner involved in the scam as well, and they became suspicious. When her call with the scammer then ended she contacted Tide directly, Tide advised her that she had not been speaking with them, she had been the victim of a scam.

Tide logged the fraud and contacted the business the funds had been sent to, to see if any funds remained that could be recovered. Ultimately, Tide was able to recover £5,064.14, it also told Mrs W that it felt it should have intervened by the time of the fourth payment made to the scam, but it also felt that G should bear some responsibility for the loss here. So, it refunded 50% of G's loss from payment four onwards.

Unhappy, Mrs W referred the matter to our service. One of our Investigators looked into the complaint. Overall, they considered that while Mrs W had authorised the transfers (albeit as a result of a scam) Tide should have done more to intervene given that the payments were unusual. They felt Tide should have contacted Mrs W directly at the time of the first payment to the scam, and it was our Investigator's view that, had Tide done so, it was more likely than not the scam would've unravelled, and the loss would've been prevented.

Our Investigator also considered that Mrs W – on behalf of G – wasn't partly to blame and shouldn't bear any responsibility for the loss. So, they recommended Tide refund G's losses in full, minus the funds already recovered or refunded.

Mrs W, on behalf of G, accepted the Investigators findings, but Tide disagreed. It did not consider that the payments were unusual, and noted that it had provided warnings – that the payee did not match what had been input by Mrs W, and via a new payee warning – which it said Mrs W had ignored.

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.

It's not disputed that Mrs W authorised the payments that are in dispute here. So as per the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means G is responsible for them. That remains the case even though Mrs W was the unfortunate victim of a scam.

Because of this, G is not automatically entitled to a refund. But the regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams.

Taking the above into consideration, I need to decide whether Tide acted fairly and reasonably in its dealings with G, or whether it should have done more than it did.

There was regular activity on G's account for the months in the run up to the scam, most of this activity was relatively small payments, and payments over around £1,000 were relatively rare. On 7 July 2023, at 11:54am, Mrs W made the first payment to the scam, for £9,114.79. This is a not insignificant amount of money, although I appreciate G had previously made some similarly large payments, those had been a few months earlier, were to an established payee, and were also a relative anomaly on the account. I don't think the value of the payment alone would be enough to say Tide should have intervened, but the payment was also to a new payee. I do not think that this activity, taken as a whole, was usual for G's account. I think the activity was unusual enough that Tide ought to have been alerted to the possibility of financial harm and intervened.

I acknowledge that this is a business account, which are usually operated differently to personal accounts in that they deal with higher payments and new payees more often.

However, while keeping this in mind, with this particular business account, I don't think the payment in question was the norm.

Considering the nature of the scam, I think a conversation about what the payment was for would have quickly revealed the scam and prevented the first payment – and then any further payment – from being made. Mrs W already thought she was talking to Tide, so if she'd been unable to progress with making a payment until she'd been forced to speak to the real Tide, then I think she'd have been open and honest about what was happening.

With this in mind, I think it would be reasonable for Tide to refund the payments that are in dispute here.

I've also thought about whether G should bear some responsibility for its loss by way of contributory negligence, but I don't think it should. Mrs W fell victim to a sophisticated scam. From what Mrs W's said, the scammer knew specific details of G's account. And the number Mrs W was called from did appear to be Tide's genuine number. Mrs W, and her husband, both received texts that appeared to be either from Tide or from other banks where they were told their money was at risk. So, in the circumstances of the scam – including the real fear that she might lose a significant amount of money – I can understand why the fraud went undetected by Mrs W.

With the benefit of hindsight, there may have been some 'red flags' (for example the mismatch in the confirmation of payee and the new-payee warning) that Mrs W could've picked up on, particularly if she'd had more time to think. But the scam took place over a short period of time and in the heat of the moment, in a pressured situation.

This is of course a deliberate tactic by the fraudsters to create fear – likely in the hope it would disrupt Mrs W's thinking and make her more compliant. I also note that the confirmation of payee warning simply said that the account name was slightly different – not that it did not match at all. And while the new payee warning did say to contact Tide if "you've received a call claiming to be from Tide" it did not explain that scammers could appear to be calling from a legitimate Tide phone number. And given what she had seen and been told, I think Mrs W would have been reassured that she was already talking to the genuine Tide, so she wouldn't have seen this warning as applying to her circumstances.

With all this in mind, on balance, I'm satisfied that in the circumstances Mrs W's actions were not unreasonable.

I have also considered if Tide did enough to try to recover G's money once Mrs W had told it of the scam, and I'm satisfied Tide did act quickly. Unfortunately though, Tide was still only able to recover £5,064.14 of G's loss from the receiving bank.

So, overall, I am satisfied that Tide could have taken steps to prevent G's loss from the first payment to the scam. I am also satisfied that G should not share responsibility for that loss. So, I consider that Tide should refund G's loss in full, minus any amounts already recovered or refunded.

Putting things right

To resolve this complaint Tide should:

- Refund G's outstanding loss; and
- Pay 8% interest on that refund, from the date of the scam payments to the date of settlement.

My final decision

I uphold this complaint. Tide Platform Limited 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 G to accept or reject my decision before 12 December 2024.

Sophie Mitchell
Ombudsman