

## **The complaint**

Company M complains that ClearBank Limited ('Tide') hasn't reimbursed money it lost though an Authorised Push Payment scam.

Company M's director Mr R brings this complaint with the benefit of professional representation. For ease, I will treat any submissions from Company M, Mr R and the representative as being one and the same and attribute them to Company M throughout.

## **What happened**

Company M holds a business account with Tide. In July 2023, Company M's director received a call from someone purporting to be from Tide's fraud team.

This corresponded with a text message the director had received around one week earlier, stating there was suspicious activity on Company M's account. That message had indicated he should expect a call about this.

The number appearing on his phone was a close match to Tide's regular number. The director was taken through a security process, and the caller was able to confirm account and personal security details that the director believed could only have been known to him and to Tide. He was persuaded he was speaking to Tide.

The caller told him Company M's Tide account had been compromised by fraudsters. Company M's money needed to be moved to a new account to avoid it being lost to these criminals.

During the call, the director received further messages purporting to sent by Tide. Believing he was protecting Company M's money, the director followed the caller's instructions. He made three Faster Payments transfers in quick succession, each for the sum of £2,990. Within approximately 20 minutes, the balance of Company M's account had been reduced to a balance of under £50.

The call ended, and later that day the director called Tide back directly to discuss the matter. During this call it came to light that the messages and the fraud team call the director had received, while they had purported to originate from Tide, in fact originated from scammers impersonating Tide. He was told Company M's funds had gone to another bank. Tide would never have asked the director to do what the caller had asked him to do.

Tide declined Company M's subsequent scam claim. It said it hadn't been at fault in processing Company M's payment instructions. It said these were in line with prior account usage and so had not appeared suspicious. It had later done all it could to recover Company M's funds, but only a nominal amount remained.

Tide later offered Company M's director £150 to recognise it could have phrased its communications better in handling Company M's claim and complaint.

Company M didn't accept this outcome, and asked this service to reconsider the matter

impartially.

Our Investigator reviewed what had happened. While Tide had presented messages warning of the risk at the time, the Investigator thought that by the point of that third payment Tide ought to have done more, specifically through contacting Company M prior to processing the payment instruction. He thought that by third payment, Tide ought to have recognised the pattern of payments was highly unusual for Company M and indicated a significant risk of loss to fraud or a scam. By the third payment instruction the transactions matched the pattern that might be expected in a typical safe account scam - as this proved to be).

Had Tide intervened in this way, the scam would have been stopped and the final payment prevented. The Investigator said Tide should refund the amount lost through the third payment plus interest. He thought the offer of £150 for inconvenience was appropriate.

Company M accepted the Investigator's findings. But Tide didn't agree. It said the warnings it had given, including one related to a Confirmation of Payee mismatch, should have prompted Company M's director to have had concerns about what he was being asked to do by the caller. It disputed that the payments were significantly different to Company M's prior account usage.

In light of this disagreement, I have been asked to make a final decision on Company M's complaint.

### **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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant law and regulations, regulators' rules, guidance and standards, codes of practice; and, where appropriate, what I consider to be good industry practice at the time. Where the evidence is incomplete or missing, I make my findings based on a balance of probabilities – in other words what I consider is most likely given the information available to me.

In broad terms, the starting position at law is that an Electronic Money Institution (EMI) such as Tide is expected to process payments and withdrawals that a customer authorises it to make. However, that is not the end of the matter. Taking into account longstanding regulatory expectations and requirements as well as what I consider to have been good industry practice at the time, Tide should have been on the look-out for the possibility of fraud and have taken additional steps, or made additional checks, before processing payments in some circumstances.

Having reviewed the pattern of payments made by Company M on the date of the scam, and taking into consideration the prior account usage, I'm satisfied that by the point of the third payment instruction this was sufficiently unusual and out of character that Tide ought to have contacted Company M prior to processing its payment instruction.

By this point Company M was about to all but clear the entire balance of its account, through three payments made in quick succession to a payee never paid before, for identical sums just below the level of £3,000. Furthermore, the payee had returned a negative confirmation of payee result.

This was not only unusual for Company M, but matched the pattern expected when a customer is falling victim to a safe account scam. The use of multiple payments in quick

succession is often a means of avoiding detection by automated payment monitoring systems and combined with the rapid depletion of the account balance was a sign that these payments had a high risk of causing loss through a scam.

Had Tide taken the step of contacting the director of Company M prior to processing the third payment, I see no reason to doubt that the scam would not have been uncovered at that point. The director had not been told to use a cover story or otherwise deceive Tide. I'd expect Tide to rapidly realise that the caller whose instructions the director was following was not a genuine Tide employee. The third payment would thus have been prevented, and Company M would not have sustained the corresponding loss it did from that payment.

In saying that I consider Tide partly responsible because it ought reasonably to have thus prevented the loss due to this final payment, I have considered whether Company M's director (or consequently Company M) should bear some responsibility by way of contributory negligence. However, it is clear that up to and including the time of authorising the payment, Company M's director was still totally in the dark and simply did not appreciate what he was doing or the consequences of his actions. He believed he was helping to protect Company M's funds and stop financial crime, not facilitate it. I am satisfied there was no contributory negligence on this occasion, he was simply the unwitting and blameless victim of a clever fraudster. The bank was the professional in financial matters; Company M's director was a layperson.

### **Putting things right**

For the reasons given above, I uphold Company M's complaint about Clearbank Limited (Tide) in part.

Within 28 days of receiving Company M's signed acceptance of my decision, I require Clearbank Limited to:

- reimburse Company M the value of the third payment (while only a nominal sum was recovered from the beneficiary, Clearbank Limited may deduct from the amount it reimburses any amounts it has already returned to Company M through the recovery process);
- add interest to the above amount at the rate of 8% simple per year, calculated from the date of payment until the date of settlement; and,
- if Clearbank Limited has not already paid the sum of £150 previously offered to Company M for its handling of the claim and complaint, it should also make that payment.

### **My final decision**

I uphold Company M's complaint about Clearbank Limited in part and require it to put matters right as I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Company M to accept or reject my decision before 28 July 2025.

Stephen Dickie  
**Ombudsman**