

The complaint

A complains that ClearBank Limited (Tide) is refusing to refund the amount lost as the result of a scam.

To keep things simple, I will refer to A throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, A was contacted by phone by someone impersonating a Tide employee, I will call this person "X". X knew A's name, account balance and recent transactions. X went on to warn A the account was at risk and that a payment had been attempted on it.

X then walked A through the process of setting up a new "safe account" that A's funds could be moved to so they could be protected. The account was setup, the funds were moved and A was told that a new card had been ordered.

A was then told to reinstall the Tide app and log back in, which was when A realised a scam had taken place.

A made the following payments in relation to the scam:

Payment	Date	Payee	Payment Method	Amount
1	9 December 2023	www.benefithub.com	Debit Card	£940.80
2	9 December 2023	www.benefithub.com	Debit Card	£950.40
3	9 December 2023	www.benefithub.com	Debit Card	£912.00
4	9 December 2023	www.benefithub.com	Debit Card	£902.40
5	9 December 2023	www.benefithub.com	Debit Card	£931.20
6	9 December 2023	Lemonade Finance	Debit Card	£4,500.00
7	9 December 2023	Lemonade Finance	Debit Card	£495.00

Our Investigator considered A's complaint and thought it should be upheld in part. Tide disagreed, so this complaint has 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.

It has not been disputed that A has fallen victim to a cruel scam. The evidence provided by both A and Tide sets out what happened. What is in dispute is whether Tide should refund the money A lost due to the scam.

Recovering the payments A made

A made payments into the scam via debit card. When payments are made by card the only recovery option Tide has is to request a chargeback.

Considering the payments A made in relation to the scam were made to genuine businesses and therefore services were likely provided in receipt of the funds I think it's unlikely that a chargeback attempt would be successful. So, I don't think it was unreasonable that this was not attempted.

Should Tide have reasonably prevented the payments A made?

It has been accepted that A authorised the payments that were made from A's account with Tide, albeit on X's instruction. So, the starting point here is that A is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Tide should have been aware of the scam and intervened when the payments were being made. And if it had intervened, would it have been able to prevent the scam taking place.

Mr A made multiple payments the same day, the first five payments were for similar amounts but were not for such a high value that I would necessarily have thought Tide should have cause for concern. However, by the time A made payment six A had sent a total of over £9,000 over multiple transactions in a short time frame, this was unusual behaviour for the account, and I think Tide should have had concerns that A may be at risk of financial harm, and it should have intervened.

Tide has said that A would have seen warnings when making the payments. But considering the value of the payments I think an appropriate intervention would have been for Tide to have provided a human intervention and asked A what the purpose of the payments was and how they had come about. Had Tide questioned A about the payments I think it's most likely A would have told Tide what was happening, and it would immediately have come to light that a scam was taking place.

Tide would then have been able to warn A about the scam and as A had no desire to lose the funds, I think it's most likely A would have stopped making payments. Tide is therefore responsible for A's loss from payment six onwards.

Should A share responsibility for the loss?

Despite regulatory safeguards, there is a general principle that consumers must still take responsibility for their decisions (see s.1C(d) of our enabling statute, the Financial Services and Markets Act 2000).

In the circumstances I don't think it would be fair to say A contributed to the loss. I say this because A received a call from what appeared to be A's trusted account provider informing A that A's account was at risk. X appeared to know information about the account that A reasonably assumed only Tide would know. Wanting to protect A's funds A then took guidance from what A fairly assumed was A's trusted account provider.

I don't think A was negligent when making the payments in relation to the scam and had a reasonable belief that A's funds were at risk, and that the payments were required.

Putting things right

To put things right I require ClearBank Limited to:

- Refund A all payments made in relation to the scam from payment six onwards
- Add 8% simple interest to the amount it pays A from the date of loss to the date the payment is made (less any lawfully deductible tax).

My final decision

I uphold this complaint and require ClearBank Limited to put things right by doing what I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask A to accept or reject my decision before 13 June 2025.

Terry Woodham
Ombudsman