

## **The complaint**

B, a limited company, has complained that Tide Platform Ltd won't refund the money it lost after falling victim to a scam. Mr C, as director, is representing B.

## **What happened**

In summer 2024, Mr C was called by scammers posing as Tide. They called from a withheld number, but verified themselves by having someone else call Mr C from a number spoofed to match that of the FSCS, who said it was really Tide calling. Mr C explained they also sent him a message spoofed to look like it came from Tide, which also confirmed he was talking to a Tide representative. And they knew all sorts of details about him and about B's account.

The scammers told Mr C that B's account had been compromised and someone had attempted to set up a fraudulent direct debit. They persuaded him to move B's money to "safe" accounts, which were actually operated by the scammers. Mr C transferred over £54,000 from B to the scammers, but on reflection grew uncomfortable. He contacted his bank, who confirmed this was a scam.

Tide tried to recover the money, but the receiving banks either didn't get back to them or confirmed no funds remained. Tide agreed they should've intervened from the second payment, but felt Mr C had acted negligently. So they offered to refund 50% of the loss from the second payment onwards.

Our Investigator looked into things independently and thought Tide should refund 100% of the loss from the second payment onwards. Tide asked for a 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.

There's no dispute that Mr C authorised the payments involved on behalf of B, even if he didn't intend for the money to end up with scammers. So under the Payment Services Regulations and the terms of the account, B is liable for the loss in the first instance. But the matter doesn't end there.

Taking into account the law, regulator's rules and guidance, relevant codes of practice, and what I consider to have been good industry practice at the time, I consider that Tide should have fairly and reasonably:

- Monitored accounts and payments to counter risks such as fraud and scams;

- Had systems in place to look out for particularly unusual transactions or other signs its customers were at risk of fraud;
- In some circumstances, taken further steps or made further checks before a payment went out, or even blocked it, to help protect customers – irrespective of the type of payment involved.

I think that the first payment, on its own, was not quite so large or out of character to have prompted Tide to intervene here. But the second was notably large – the largest payment which had come out of the account in the preceding period, and far larger than B's normal account activity. It was made rapidly following the first substantial payment, going to a newly setup payee, at a type of account B wouldn't commonly pay these sorts of amounts. I've reviewed B's account activity in the months leading up to the scam, and I can't see any comparable activity. So I think the second payment stood out as being remarkable enough that it should have prompted Tide to intervene.

Had Tide intervened at that point and asked reasonable questions, it seems most likely that they would have uncovered the scam and stopped any further loss. Mr C hadn't been told to lie if questioned, there's nothing to suggest he would've lied given he was ultimately trying to protect B's account, and he was open about what happened when he did speak to Tide. The matter bore many hallmarks of a prominent scam, which Tide would have been able to quickly identify. And I've found no good reason why Mr C would not have listened to Tide – indeed, this whole matter started because he thought he was listening to Tide.

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

I've also thought carefully about Mr C's role in what happened, in his position as director of B. While I understand Tide's arguments that Mr C could've technically done more, we don't require customers to act flawlessly. This was a sophisticated scam, where the scammers imitated B's genuine bank in detail, knew key facts about Mr C and B and took him through security, verified themselves with a call from a regulatory body which was spoofed such that when Mr C checked the number it came up as being genuine, and apparently also sent a message which spoofed a genuine one from Tide – though I appreciate Mr C doesn't still have a copy of that message.

I should also take account of the surrounding circumstances. Here, Mr C had just left emergency care at the hospital and was on medication with side effects which would reasonably substantially affect his judgement and his ability to detect the deception. Tide have agreed that he was in a vulnerable position. To clarify, we don't expect Tide to have been aware of this, and I don't mention this to add any blame onto Tide beyond the errors I've already identified above. But it is relevant in assessing whether Mr C acted reasonably in the circumstances that he was in – circumstances which included his medical situation.

I'll go through Tide's arguments for why Mr C should be held jointly liable for the loss on negligence grounds, and why I don't agree:

- That the initial call was from an unknown number. But that's quite normal for a lot of businesses. And he then received a call which came up as being from a genuine regulatory body.

- That the FSCS wouldn't normally carry out such verification, and that Tide set out the FSCS's function in the terms and conditions on their website. But I wouldn't expect every customer to know the exact functions of each financial regulatory body, not least when most customers rarely deal with the FSCS themselves. And I wouldn't expect customers to go scouring through the small print on Tide's website to clarify such functions in the middle of a seemingly urgent emergency.
- That the names on the accounts didn't match B's. But while I appreciate the argument, the scammers had already explained they were codes for safe accounts, and as I set out before I can see why Mr C believed he was speaking to Tide.
- That Tide had provided some brief warnings about receiving calls from them. But these didn't make it clear why such calls might be suspect, nor link it to safe account scams, let alone reasonably bring out the details of such a scam. And it said to contact Tide, which wouldn't have felt very relevant to Mr C when he'd been given good reason to think he was already speaking to Tide – and especially when he was under pressure to act quickly.
- That Mr C could've checked B's direct debits on the app and seen that the fraudulent direct debit wasn't there. But the scammers said it was *attempted* fraud which they were helping to stop. So it would've been reasonable for Mr C to think they'd already removed it; or the scammers could've easily claimed they'd blocked it for now but needed to set up a new account to be safe. I don't think this was likely to have broken the scammers' spell.

It's hard to overestimate the stress these types of calls can cause, and the sense of panic they're meant to produce for the victim. Mr C was already in a vulnerable position owing to his medical situation, and was then put in a situation where he seemingly didn't have time to think, nor to delay and make further enquiries. And ultimately, Mr C was trying to *protect* B's account by following what he thought were Tide's instructions.

So I agree with our Investigator that Tide should refund the full loss from the second payment onwards. They should also add 8% simple interest onto this refund, to compensate B for the time it was without its funds.

Finally, I've considered what Tide did to try to recover B's money. I can see Tide contacted the receiving banks through the proper channels in good time. Unfortunately, it's a common tactic for scammers to move on the money as quickly as possible, before the victim realises what happened. So Tide were unable to get any money back. But there's nothing more I can reasonably require Tide to have done on that front.

## **Putting things right**

I direct Tide Platform Ltd to:

- Refund the full loss from the second payment (of £16,305.09) onwards; and-
- Add simple interest at the rate of 8% simple per year onto the refund, payable from the date each refunded payment debited until the date of the refund.

If Tide considers that they're required by HM Revenue & Customs (HMRC) to deduct tax from that simple interest, they should tell B how much tax they've taken off. They should also give B a tax deduction certificate if it asks for one. B may be able to reclaim the tax from HMRC depending on its tax liabilities.

Of course, if Tide have paid some of that redress already, they need only pay the remaining difference – they don't need to refund the same amounts twice over.

### **My final decision**

For the reasons I've explained, I uphold B's complaint, and direct Tide Platform Ltd to put things right by doing what I've said above.

If B accepts the final decision, Tide Platform Ltd must pay it within 28 days of the date our service notifies them of the acceptance.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 2 July 2025.

Adam Charles  
**Ombudsman**