

## The complaint

I, a limited company, is unhappy TIDE PLATFORM LTD (“Tide”) won’t refund the money it lost as a result of an Authorised Push Payment (APP) scam.

I is represented by one of its directors Mr L - who fell victim to the scam – so for ease I have referred to him throughout this decision.

## What happened

I issued my provisional decision on this complaint on 6 December 2024. The background and circumstances of the case and the reasons why I was minded to uphold it were set out in that decision. I have reproduced the provisional decision in italics below;

*In October 2023, Mr L received a phone call from an individual claiming to work for Tide, telling him that I’s account was at risk and his money needed to be moved to a new account to keep it safe. They told him that somebody had tried to set up a direct debit on the account and make a transaction that he didn’t recognise.*

*Mr L has said the caller knew personal information about him, that he thought only his bank would know, such as name, address, account number, as well as knowing about transactions on the account. Mr L has said the caller sent him a link for what appeared to be a Tide website, where he’s said he could see, what was a new account in his name that all looked genuine.*

*Believing everything to be genuine Mr L made the following payments totalling £18,296, from the account I holds with Tide, to account details that the caller provided. But unknown to him at the time, Mr L was speaking to fraudsters and was sending the money to accounts the fraudsters controlled;*

18 October 2023 @ 17:12	£1
18 October 2023 @ 17:17	£6,495
18 October 2023 @ 17:22	£5,951
18 October 2023 @ 17:24	£5,850

*Shortly after making the payments, Mr L has said he panicked and suspected this might have been a scam, so he raised the matter with Tide. It looked into his fraud claim and upheld it in part. In summary, it said due to the velocity of the payments it ought to have intervened on the final payment (for £5,850). So it agreed it was, at least in part, liable for this payment*

*But Tide added that it did provide Mr L with an online warning and the payment returned a Confirmation of Payee (CoP) no match, which it said should have tipped Mr L off. So it thought liability for this final payment should be shared and it offered to refund I half of the money lost from this payment, being £2,925.*

*As well as this, Tide contacted the beneficiary bank (the bank to which the payments were made) to try and recover the money that had been sent. It wasn't able to recover the full amount that I had lost, but it was able to recover £9,350 which was returned to I's account.*

*Unhappy with Tide's response, Mr L brought his complaint to this service. One of our Investigator's looked into things but didn't uphold it. In summary, it was our Investigators view that the offer Tide had made, to refund half of the final payment, was fair. This was because while he thought Tide could have done more to prevent the final payment, he also thought there were further steps Mr L could have taken to verify the payments were genuine.*

*Mr L didn't agree with our Investigator's view. As agreement couldn't be reached the complaint has been passed to me for a decision.*

*What I've provisionally 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 L authorised all four of the disputed payments. I appreciate he didn't intend the money to go to the scammers, but, under the Payment Services Regulations 2017, and the terms and conditions of I's account, it is presumed 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 been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.*
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.*
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.*

*Both Tide and our Investigator found that the final payment marked the point at which Tide ought to have identified the risk and I'm minded to agree with that conclusion.*

*I say that as, from looking at I's statements for the months leading up to the scam, it isn't uncommon for it to make transactions for similar amounts, or more, to those that were made to the fraudsters. So, although a pattern is starting to emerge, I don't think there was enough going on, with the first three payments, which ought reasonably to have given Tide cause for concern, as I don't think the activity would have appeared unusual or not typical of how the account is usually run.*

*But when the final payment was being made, it represented the fourth overall payment and third, large value payment, to a new payee within the space of minutes. I think there was enough going on, by this point that, in my view, Tide ought to have displayed greater vigilance against the risk that I's accounts might be at risk of financial harm. It shouldn't have*

*processed that final payment without first making enquiries with Mr L to ensure that it wasn't at risk of fraud.*

*I've also considered, if Tide had intervened in the way I've described, whether the scam would've been prevented. Mr L doesn't appear to have been coached by the scammer or prepared to respond to any such challenge – so if he'd been asked about the motivation for making the payment, there's no reason to think he would've been anything other than candid. It follows that it's more likely than not the scam would've quickly come to light and Mr L would've been prevented from making that final payment.*

*Should I share in the responsibility for its losses?*

*I've thought about whether I should bear some responsibility for its loss by way of contributory negligence, but I don't think it should. I don't think Mr L's actions, or inactions, fell far below the standard expected of a reasonable person. The tactics employed by the fraudsters are common, but nonetheless captivating to anyone unfamiliar with them.*

*Mr L fell victim to a sophisticated scam. From what he's said, the scammer knew personal details about him and they had knowledge of transactions on I's account – which I think reasonably would have given him some assurance that the caller was who they claimed to be. I also think it would have been quite compelling when Mr L was provided a link to what seemingly was a legitimate website of Tide's with a new account set up.*

*With the benefit of hindsight, there may have been some 'red flags' (for example the mismatch in the confirmation of payee) Mr L could've picked up on, and more he could've done to protect I from financial harm. But the fraudster had created a pressured environment where Mr L thought he had to act quickly to protect I's accounts from an attack. I'm mindful the convincing nature of these scams can often have a negative effect on a person's thought process and make them take steps that, in the cold light of day, they might not otherwise take.*

*On balance, I'm satisfied this happened here to Mr L and that in all the circumstances, his response was not unreasonable. I believe that it was difficult for Mr L to think clearly in the moment particularly given the pressure and belief that he had to act quickly.*

*For completeness, I also considered whether Tide did everything it needed to do once it became aware of the scam. I can see that it contacted the beneficiary bank, which operated the fraudster's account, in an attempt to recover I's money. Unfortunately, it wasn't able to recover all of the money sent, but from what I've seen I don't think Tide had any opportunity to recover more than it did.*

*Putting things right*

*For the reasons explained above, I'm currently minded to ask TIDE PLATFORM LTD to;*

- Refund I the full amount of the final payment made to the fraudsters, being £5,850*
- add 8% simple interest per year to this amount, from the date of payment to the date of settlement.*

*Mr L responded and accepted the findings within my provisional decision. Tide responded, but it disagreed. In summary, it said that at the time the payment was made it provided a warning that directly outlined the situation it's member was in and this should have made them reconsider sending the money.*

## **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.

I thank both Mr L and Tide for their responses to my provisional decision. Having considered these carefully, I see no reason to depart from the findings in my provisional decision and I am of the opinion that Tide should refund I in line with my recommendations. As the reasoning is largely the same, I'll focus on addressing the point raised by Tide in its response to my provisional decision.

Tide has argued that the warning it provided directly outlined the situation Mr L found himself in and this should have made him reconsider sending the payment. I agree that the warning Tide provided does, in part, intend to warn customers about a potential impersonation scam. But I don't think what it provided went far enough or would have resonated with Mr L. I say that as I think a warning at this point ought to have covered the key features of a safe account scam which would help bring to life what this type of scam looks and feels like (such as, but not limited to, being called out of the blue and being told that your money is at risk if it is not moved to an account to keep it safe).

When considering the overall circumstances and in the absence of any such warning or further intervention by Tide, such as stopping the payment and investigating it – as Tide has acknowledged it should have done, I don't think it was unreasonable for Mr L to continue with the payment.

There may have been some 'red flags' that Mr L could've picked up on, and more he potentially could've done to protect I from financial harm, particularly with the benefit of hindsight and/or with more time to think. But I'm mindful that the scam took place over a short period of time and, in the heat of the moment, in a pressured situation, for reasons explained here and in my provisional decision, I don't think it's unreasonable that Mr L didn't realise I was being defrauded.

## **Putting things right**

For the reasons explained above, I uphold this complaint and now ask TIDE PLATFORM LTD to;

- Refund I the full amount of the final payment made to the fraudsters, being £5,850
- add 8% simple interest per year to this amount, from the date of payment to the date of settlement.

## **My final decision**

My final decision is that I uphold this complaint against TIDE PLATFORM LTD.

Under the rules of the Financial Ombudsman Service, I'm required to ask I to accept or reject my decision before 20 January 2025.

Stephen Wise  
**Ombudsman**