

The complaint

Mr L, a director of I, has brought I's complaint to the Financial Ombudsman. However, for ease, I will mostly refer to Mr L throughout my decision.

Mr L is unhappy ClearBank Limited won't refund money he lost as part of a scam.

What happened

I holds a business account - which is provided by ClearBank Limited - with Tide Platform Limited.

The background of this complaint is well known to all parties, so I won't repeat everything here. However, in summary, Mr L received a call from a scammer stating they were calling from Tide. The scammer explained a card payment for the value of £5,000 had been placed on hold to an online marketplace on I's account and they wanted to confirm if it was genuine. Mr L confirmed I did not authorise this and so became concerned that someone was attempting to access I's account without permission. The scammer told Mr L he would need to escalate the call to his colleague who would be able to help him explain the next steps to secure I's account. Mr L received a second call from the scammer as he was expecting, and he was told someone now had access to I's banking app and that the account was compromised. The scammer explained he would set up a new account for Mr L to move the money into and that he would need to create a new company name to make sure the person who had access to I's account wasn't tipped off that Mr L was moving the funds into a safe account. Mr L attempted a payment of £23,850 as instructed by the scammer, however, the payment was placed on hold by Tide. The scammer then asked Mr L to make smaller payments to an account with an online remittance service (which was again in the control of the scammers). Mr L thought the situation was urgent and carried out the scammer's instructions.

Mr L made the following payments as part of the scam:

Payment	Date and time	Transaction Type	Amount
1	15 August 2024 at 16:52	Debit card	£3,991.99
2	15 August 2024 at 16:56	Debit card	£3,981.99
3	15 August 2024 at 16:59	Debit card	£3,901.99
4	15 August 2024 at 17:01	Debit card	£3,851.99
5	15 August 2024 at 17:06	Debit card	£3,601.99
		Total loss:	£19,329.95

The scammer then told Mr L he would receive another call from a member of the Tide team, who would go through the steps to approve the initial payment that was being held by Tide.

Mr L realised he had been a victim of a scam when he didn't receive a call back and when he went online to find a contact number for Tide he came across a Stop Scams UK website and when he called the telephone number displayed, he was told he had been a victim of a scam. Mr L reached out to Tide via the app straightaway and told them not to approve the payment that was on hold and asked it to help him recover the above payments.

Tide didn't uphold the complaint and said they had no chargeback rights against the online remittance provider Mr L made the above payments to. Tide also said they did stop a bank transfer Mr L attempted and the payments he did make didn't stand out enough to warrant any intervention. Tide also said the card payments Mr L made shortly after the bank transfer was put on hold shows a certain level of negligence and they wouldn't be providing any refund in the situation.

The complaint was referred to the Financial Ombudsman. Our Investigator thought it should be upheld in part. In short, she said:

- Tide should have been concerned about the payments Mr L was making as transaction 1 to 5 had all been made within 15 minutes, for similar amounts to a money remittance provider, which showed a clear pattern of fraud being established.
- Tide should have intervened by Payment 3 as Mr L had made three payments totalling £11,875.97 to the same payee within minutes.
- If Tide had intervened at Payment 3 and asked Mr L a series of questions to establish the reasons for the payments it would have established Mr L was falling victim to an impersonation scam.
- Mr L could've taken steps to protect himself during the scam, based on the various red flags about what he was being asked to do, so liability should be shared equally between both parties.
- To put things right, Tide should refund Mr L 50% of the total from Payment 3 onwards which is the point Tide should have intervened. Tide should also pay 8% simple interest per year from the date of each transaction to the date of settlement.

Tide didn't agree. In summary, it said:

- Mr L should have realised something was wrong, as he wasn't able to create a new account as he was told he had to do from the scammer, instead he started approving payments to the online remittance provider.
- Tide blocked a bank transfer as it was deemed unusual for the account and Mr L was notified immediately, which showed its fraud detection systems were working correctly and are set up to compare unusual account activity alongside usual account activity.
- The payments Mr L made were recorded as similar value payments. It established a pattern of spending that would indicate and suggest card payments of similar value can be made, such as the ones Mr L made.
- Mr L didn't reach out to Tide for at least 25 minutes after they blocked his payment, so even if they had paused any of the card payments, it's unlikely he would have reached out straightaway and it would have gone unnoticed.

As no agreement could be reached, the matter 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.

Having done so, I agree with the conclusions reached by the Investigator. I'll explain why.

In broad terms, the starting position in law is that a bank is expected to process payments that their customer authorises them to make. Here, it isn't disputed that Mr L knowingly made the payments, albeit under the instructions of the scammer and so, I'm satisfied he authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of the account, Tide are expected to process the payments, and Mr L is presumed liable for the loss in the first instance. But that's not the end of the story.

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 payments made or received to counter various risks, including fraud and scams, money laundering, and the financing of terrorism.
- 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 (amongst other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which financial institutions 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 its customers from the possibility of financial harm.

Having reviewed the pattern of payments made by Mr L, 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 Mr L prior to processing its payment instruction.

By this point Mr L had made three payments for similar amounts of just under £4,000 within the space of seven minutes. This was not only unusual for I 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 Mr L prior to processing the third payment, I see no reason to doubt that the scam would not have been uncovered at that point. Mr L 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 he was following was not a genuine Tide employee. The third payment would thus have been prevented, and I would not have sustained the corresponding loss it did from that payment.

When considering whether the actions of Mr L has contributed to the loss I has suffered, I must consider whether his actions showed a lack of care that goes beyond what we would expect from a reasonable person. I must also be satisfied that the lack of care directly contributed to I's losses.

Here, I have considered that there were sophisticated aspects to this scam – including, as Mr L has mentioned, the scammer knowing some details of I's bank account. I also acknowledge that Mr L would've understandably been concerned about I's money being at risk of being lost.

However, when Mr L attempted to make the first bank transfer as directed by the scammer, this payment was blocked as it was deemed as unusual for the account. Tide have said a scam warning was issued to Mr L that Tide would never ask him to move his funds. Tide have also shown evidence to show this warning was seen by Mr L shortly after it was sent. I think Mr L should have questioned this with the scammer as this contradicted the information he had been told by the scammer. The message was particularly relevant to the circumstances of the scam, as the scammer was claiming to be calling from Tide and telling Mr L he had to urgently move I's money to another account.

I consider the warning was clear, prominent, and clearly highlighted the common features of a safe account scam. So, I think it would've been reasonable for Mr L to have seen and digested this message. If he had done so, the scam could have been prevented. Based on the above I also feel Mr L ought to have suspected that the call may not have been genuine and I would've expected him to have taken greater caution before proceeding. This could have included ending the call and contacting Tide directly via the app. Again, if Mr L had done this, then I consider he would've most likely uncovered that he was being scammed - thereby preventing I's losses.

I therefore consider Mr L should take some responsibility for I's loss too. I've concluded, on balance, that it would be fair to reduce the amount Tide pays I because of its role in what happened. I think a fair deduction here is 50%.

I've considered whether, on being alerted to the scam, Tide could reasonably have done anything more to recover I's losses, but I don't think they could. The only possible option for recovery here, given the payments were made by debit card, would have been for Tide to raise chargebacks. Here the payments were made via an online remittance provider, the service is considered provided and as described once the payment is sent. So, I wouldn't have expected Tide to have done anything else to recover I's funds.

Putting things right

I think it is fair that ClearBank Limited refund I from the £3,901.99 (Payment 3) onwards (less 50% for contributory negligence). They should also add 8% simple interest to the payments from the date of loss to the date of settlement for the loss of the money that I might otherwise have used.

My final decision

My final decision is that I uphold the complaint in part. I direct ClearBank Limited to pay I:

- 50% of its loss from the £3,901.99 (Payment 3) onwards - £5,677.99.
- 8% simple interest, per year, from the date of payment to the date of settlement less any tax lawfully deductible.

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

Israr Ahmed
Ombudsman