

The complaint

Mr A, on behalf of G, complains that Tide Platform Ltd refunded only 50% of the money G lost as the result of an authorised push payment (APP) scam.

What happened

As both parties are familiar with the details of the scam I won't repeat them in full here. In summary, Mr A fell victim to a safe account scam. On 12 June 2024 he made two faster payments, one for £12,505.12 and then one for £5,740.06 ten minutes later. He sent them to an account as instructed by a caller he believed to be from Tide. He did so in order to protect G's money that he had been told was at risk.

Tide said whilst it provided in-app warnings it should have intervened directly as the payments were out of character for the account. But as it felt Mr A was partly responsible for the loss it refunded 50%, with interest.

Mr A says Tide must refund all of G's loss – he thinks its poor security allowed this fraud to take place as the scammer had all the information about G's account.

Our investigator did not uphold the complaint. He found Tide's 50% refund to be fair in the circumstances. Mr A disagreed and asked for an ombudsman's review. He said the scammers were able to break into Tide's systems so he needs a full refund.

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 is not in dispute here that Mr A made and authorised the payments. Mr A knew who he was paying, and the reason why. At the stage he was making these payments, he believed he was moving funds to keep them safe and that they would then be returned to his account. I don't dispute Mr A was scammed and he wasn't making payments for the reason he thought he was, but I remain satisfied the transactions were authorised under the Payment Services Regulations 2017.

It's also accepted that Tide has an obligation to follow Mr A's instructions. So in the first instance Mr A is presumed liable for his loss. But there are other factors that must be considered.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what was good industry practice at the time, I consider it fair and reasonable that in June 2024 Tide should:

- have been monitoring accounts and any payments made or received to counter various risks, including 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 firms are generally more familiar with than the average customer;

- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving and the different risks these can present to consumers, when deciding whether to intervene.

To note, as Tide was not a signatory to the Contingent Reimbursement Model (CRM) the principles of that code do not apply in this case.

Tide has accepted it should have done more to protect G as the transactions were out of character for the account. I agree. It believes however, that as Mr A could also have done more to prevent G's loss it should only be held liable for half of the loss. This is the issue that remains in dispute as Mr A argues he should receive a full refund.

In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint. I'm in agreement with our investigator that it is appropriate to share liability in this case. I'll explain why.

I accept this was a sophisticated scam. Mr A was tricked into moving money and felt under pressure to keep G's funds safe. But there were warning signs he missed that, even as a lay person and not a fraud expert, should have made him press pause and contact Tide. There were no security questions at the start of the call; there was a mismatch on the Confirmation of Payee; and Mr A was not clear how the money would be returned to G's account or why it was moving in two payments to a named account that had no link to him, or Tide. Also, crucially, when Mr A was shown in-app scam warnings he ignored them. I have reviewed the warning Tide says he would have seen. The wording was highly relevant to the situation Mr A found himself in. It asked if he was paying someone he was on a call with, it flagged what would have happened if the caller was genuinely from Tide and it explicitly said Tide would never ask account holders to move money. Yet Mr A proceeded.

For these reasons I find it the 50% refund that Tide paid to be fair and reasonable. I note it also added the 8% simple interest we would award in such circumstances.

Mr A claims that a security breach at Tide must be how the scammers had access to so much information about him. Tide said that fraudsters acquiring his personal details directly from it would be very difficult. Its security systems and protocols make this largely inaccessible to most fraudsters. Fraudsters of this sort typically target people by collecting information directly from social media, or public databases such as Companies House. In this case Tide felt it was likely that the fraudsters obtained G's cards details in some way, potentially through a compromised Card Reader or ATM, which allowed them to copy the cards details and start the scam. From the available evidence I cannot know how the scam started, but whilst Mr A believes Tide's systems were at fault he has not provided any supporting evidence. Without this, as we are an evidence-based service, I cannot consider his allegation further.

It follows I am not instructing Tide to refund any more money to G. I'm sorry G has lost a considerable amount of money and I can understand why Mr A would like to be compensated for its loss. I do accept Mr A has fallen victim to a sophisticated scam which

has been very distressing. But I can only consider whether the bank, which had no proven involvement in the scam itself, should be held responsible for what happened. For the reasons set out above I do not find Tide can be held wholly liable in the circumstances of this case.

My final decision

I am not upholding G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A, on behalf of G, to accept or reject my decision before 3 April 2025.

Rebecca Connelley
Ombudsman