

The complaint

Company S is unhappy that ClearBank Limited trading as Tide Platform Ltd (ClearBank) won't refund all of the payments he made because of a safe account scam.

Company S's director, Mr S, has brought this complaint, but for ease of reading, I will refer to all comments made about or by Mr S as Company S and Mr S as Company S's director.

What happened

On 24 October 2024, Company S's director received a call from someone he thought was from ClearBank. He was told he had been a victim of a fraud and to stop this happening he needed to authorise 3 payments on his card, to 'bounce' the fraudulent payments back. Company S's director did this and paid £11,905.97, but after receiving some conflicting information, realised quite quickly that this wasn't right. He put the phone down and contacted ClearBank to report what had happened. After a period, he then made a complaint about what happened.

To clarify, Company S's account is provided by a company called Tide, but the underlying banking services were delivered by ClearBank. So, it is ClearBank that is responsible for executing transactions from Company S's account and are the responsible firm here. I have referred to ClearBank at all times, to make matters clear, even if it was Tide that was involved.

In addition, the card payments were processed through a company called Edenred paytech, which acted as the processing firm for Remitly. Remitly was the merchant chosen to send the funds out of Company S's account and into the hands of the scammer. But again, to be clear Company S's complaint is about ClearBank and how it dealt with the 3 disputed transactions that he authorised on 24 October 2024.

Company S reported what happened to ClearBank on 24 October 2024 and after not getting what he wanted: the payments returned to him or refunded, he raised a complaint on 21 November 2024 that it failed to protect him from the scam. ClearBank replied that it was told by Edenred paytech, the processing firm, that Company S was unable to claim the money back through Chargeback. It also said the payments were made using 3DS notifications that came with a warning. It said Company S ignored these and authorised them anyway. It said it also sent fraud awareness letters, and in app along with education on its website.

ClearBank said, despite what had happened, it did think it ought to have intervened with the 3 payments in question and said it was a fair outcome if it paid half of the amount Company S lost to the scam back. It offered to pay Company S £5,952.99.

Unhappy, Company S's director brought his concerns to our service to investigate. He said ClearBank should pay all the amount he lost to the scam back to him.

The Investigator looked into matters and agreed that ClearBank ought to have been concerned that Company S might have been at risk to being scammed and felt it should have intervened. He concluded if ClearBank had made enquiries then it would have

uncovered the scam, warned Company S's director and that would have led to him not making the payments.

The investigator said, although in hindsight ClearBank would not have contacted Company S asking him to make payments, it was not unreasonable for him to not be thinking clearly at this stage. He was just told of a scam and that his account had been compromised. He concluded that the opportunity was missed by ClearBank and that it should refund all the transactions made along with interest.

ClearBank was not happy with the investigator's view. It said it agreed it had a degree of responsibility in ensuring security of its platform. But it didn't think a customer should be absolved of all accountabilities.

ClearBank said Company S's director received a call from a no caller ID, then he approved 3DS payment notifications with relevant warnings, but failed to take precautions and ignored this, along in general, with education provided by it. It said it was unreasonable to expect it to bear sole responsibility. It felt it should be held jointly accountable with Company S.

After the investigator sent out another view reaffirming his stance, ClearBank said any failure by it to intervene does not automatically transfer full liability for all the loss onto it.

ClearBank asked for Company S's complaint to be referred to an ombudsman, so the case has been passed to me.

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've reached the same outcome as our investigator, and I will explain why.

The starting position in law is that Company S is responsible for the payments they made. And ClearBank has a duty to make the payments they tell it to.

But, as supported by the terms of the account, that doesn't preclude ClearBank from making fraud checks before making a payment. And, considering regulatory expectations and good industry practice, I'm satisfied that it should fairly and reasonably do this in some circumstances.

ClearBank has already said it did something wrong here, and that the payments in question were unusual based on Company S's account activity. It said it ought to have made an intervention and decided it should pay Company S compensation because of this.

I don't need to make any findings about whether ClearBank ought to have intervened or whether it would have made a difference here. ClearBank said it should have done, and it would have made a difference. So, I will move on, on that basis.

What is left for me to consider, is about how much ClearBank should pay. There's a general principle that consumers should take responsibility for their decisions and conduct suitable due diligence, and I've thought about whether Company S should bear any responsibility for what they have lost to the scam, this being £11,905.97. In doing so, I've considered what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint.

It's clear that Company S's director was taken in by what the scammer was saying and the reasons apparently why he had to authorise 3 payments on his card. I do acknowledge the points made by ClearBank that Company S had received warnings from his notifications, that he had to authorise. However, I do also need to take into consideration that this was done at speed, and Company S's director would have been in under pressure and in shock to find out that he was, apparently the victim of fraud and his account had been compromised. He was given information that would have suggested to him that this was an urgent request. I think in the circumstances of Company S's complaint, a lot of this information provided such as a crime reference number, staff number and personal details, would have, in the moment, sounded legitimate.

Up to and including the time Company S's director was authorising the payments, he was in the dark about what was happening and simply did not appreciate what he was doing or the consequences of his actions. He believed he was helping to protect his company's funds and stop financial crime, not facilitate it. I am satisfied, after reading everything submitted by both parties, on this occasion in the circumstances of this case, there was no contributory negligence, Company S's director was simply the unwitting and blameless victim of a cruel and sophisticated scammer. The bank here was the professional in financial matters, Company S's director was the layperson.

On that basis, I'm satisfied that it's fair for ClearBank to refund all the disputed transactions back to him. As Company S have been deprived of the use of these funds, ClearBank should pay interest on the refund of 8% simple interest, calculated from the date of payment until the date of settlement.

Putting things right

For the reasons I've explained, I uphold this complaint about ClearBank Limited – and I direct it to:

- Refund all the payments made for £11,905.97 on 24 October 2024.
- Pay simple interest on the refund of 8%*, calculated from the date of the payment until the date of settlement.

*If ClearBank considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Company S how much it's taken off. It should also give Company S a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons I've explained, my final decision is that I uphold Company S's complaint and direct ClearBank Limited trading as Tide Platform Ltd to put things right as I have described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 23 October 2025.

Mark Richardson
Ombudsman