

## **The complaint**

Mr S complains that Tide Platform Limited won't refund disputed transactions carried out from his account.

## **What happened**

Mr S has a sole trader account with Tide.

In December 2024 Mr S met a group of individuals, I'll refer to as the fraudsters, and handed over his phone to allow them to enter their social media details. Unfortunately, Mr S advises that at that point the fraudsters didn't return his phone and stole it.

After stealing his phone the fraudsters accessed Mr S's Tide app and via transfers and the digital wallet spent over £2,000 of his funds. Some of the funds were sent financial providers where Mr S also had funds taken. All Mr S's other financial providers have provided him with refunds. In total Mr S remains at a loss of £1,840.95.

Mr S complained to Tide but on reviewing his complaint Tide didn't return his funds. They thought Mr S was grossly negligent in handing his phone over to the fraudsters.

Mr S wasn't satisfied with their response so complained to our service.

One of our Investigator's looked into his complaint. On reviewing everything they were satisfied the payments were unauthorised and didn't think Mr S acted with gross negligence.

Tide didn't accept our Investigator's opinion and raised several points, including:

- They thought Mr S had been inconsistent in his explanation of what happened, including changing his testimony from his phone being locked to unlocked, and handing it over to being snatched.
- They highlighted that Mr S informed them that some of his PINs were stored on his device but didn't explain this in more detail. Tide believe it's likely the fraudsters were able to change the biometrics on his device by use of these PINs. And by recording them on his device Mr S has acted with gross negligence.
- Whether other banking providers have refunded Mr S or not doesn't change their decision.

Our Investigator advised Tide that they didn't believe Mr S was grossly negligent in his actions.

But Tide didn't agree and as the parties haven't reached an agreement it'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.

As Tide have accepted that Mr S didn't authorise the disputed transactions, I won't be considering this further. Instead, I'll be focusing on Tide's argument that Mr S isn't entitled to a refund because he was grossly negligent. They've also argued that Mr S has been inconsistent in his explanation regarding the events that happened on the night his phone was stolen. I'll address this point first.

I've listened to the phone call Mr S had with Tide where he discussed what happened to his phone and Tide banking app, and whether it was unlocked or not. Tide have argued Mr S contradicted himself when referring to whether his phone and Tide application were unlocked. However, I haven't found any evidence of that in either the live chat Mr S had with Tide or the phone call.

On the phone call Mr S was asked "Was your phone unlocked when they ran away?" to which Mr S responded "Yeah" and "Can you please confirm if the Tide application was unlocked?" to which he said "No it wasn't unlocked". On the live chat Mr S was again asked if his Tide application was unlocked to which he replied it wasn't.

Tide have also claimed Mr S hasn't been specific about which PINs and passwords he had written down – but I also disagree here. I'm satisfied Mr S has consistently stated he didn't write down or save his Tide PIN on his device. For this reason I can't identify any inconsistencies in the testimony Mr S provided to Tide.

I've thought about what the above means in terms of gross negligence, and how the fraudsters likely accessed his account. I think the most likely explanation for how a fraudster gained access to Mr S's Tide application is via the PINs and passwords he had written down for other applications – which match his Tide password. I've considered what that means for whether Mr S was grossly negligent.

In the guidance document written by the regulator, the Financial Conduct Authority (FCA), for the PSR 2017 it states:

"...we interpret "gross negligence" to be a higher than the standard negligence under common law. The customer needs to have shown a **very significant degree of carelessness.**"

Our service considers gross negligence to be a lack of care that goes significantly beyond what we'd expect from a reasonable person. So, I've considered what I'd expect a reasonable person to do in the circumstances.

I'll thought about Mr S's actions in handing over his phone to the fraudsters, and whether I think a 'reasonable person' would have also acted in the same way. Mr S was aware that he'd recorded the PINs and passwords for some of his banking applications on his phone, and these would be accessible because his phone was unlocked. However, I can't say that Mr S choosing to hand his phone over, even with the knowledge that he'd recorded PINs and passwords for other banking applications on his device, shows a lack of care that goes significantly beyond what we'd expect from a reasonable person. I'm satisfied Mr S reasonably expected the fraudsters to enter their social media details, then return his phone. It follows I don't think he showed a lack of care which goes significantly beyond what I'd expect of a reasonable person.

For the reasons I've outlined above I can't safely conclude Mr S acted with gross negligence. It follows I'm satisfied it's not fair for Tide to hold Mr S liable.

### **Putting things right**

For the reasons I've outlined above I'm directing Tide to return the disputed transactions, totalling £1,840.95 plus 8% interest from the date of the transactions to the date they are refunded.

### **My final decision**

My final decision is I'm upholding Mr S's complaint and directing Tide Platform Limited to:

- Pay Mr S £1,840.95 plus 8% interest from the date of the transactions to the date they are refunded\*

*\*If Tide Platform Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr S how much it's taken off. It should also give Mr S a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.*

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 February 2026.

Jeff Burch  
**Ombudsman**