

The complaint

S complain that ClearBank Limited (Tide) won't refund the money they lost when they sent payments to what they now believe to have been a scam.

Ms R complains on behalf of S.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. But in summary and based on everything sent by both parties, I understand it to be as follows.

In January 2023, S bought a franchise to become members of a property related networking group with a company I will call "A". In August 2023, in response to an advert posted on A's app, S entered into a property investment and made two payments totalling £150,000 to a company I will call "B".

When they didn't receive what they expected, S tried to contact the borrower but found it increasingly difficult. In September 2024, the borrower unfortunately passed away and S never received the return they had been promised.

Ms R complained to Tide in October 2024 as she believed they should have done more to protect S.

Tide looked into what happened and said that while they should have stopped the second payment, they didn't feel it would have made a difference as S were satisfied with the investment and so would have asked for the payment to be released.

Unhappy with Tide's response, Ms R referred the complaint to our service.

Our Investigator looked into everything and while he agreed Tide should have intervened and spoken with S, he wasn't convinced that any intervention would have made a difference.

Ms R disagreed and so the complaint was passed to me for review.

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'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this, and it simply reflects the informal nature of our service as a free alternative to the courts.

For the avoidance of doubt, in doing so, I have carefully reviewed everything submitted by Ms R on behalf of S, and Tide.

When deciding what's fair and reasonable in all the circumstances of a complaint, I'm

required to take into account relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Where the evidence is incomplete or missing, I am required to make my findings based on the balance of probabilities. In other words, what I consider is most likely to have happened given the information available to me.

As a starting point in this case, Ms R doesn't dispute that the payments were made in line with S's instruction to Tide to make them.

In broad terms, the starting position at law is that a business such as Tide is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

That means in the first instance S is presumed liable for the payments. Tide would not ordinarily have any responsibility for a loss incurred through the payments – provided they carried out the instructions correctly. And here, there is nothing that leads me to believe they didn't do so.

I'm sorry if S lost money but this doesn't automatically entitle them to a refund from Tide. It would only be fair for me to tell Tide to reimburse S if I thought they reasonably ought to have prevented the payments, or they unreasonably hindered recovery of the funds.

Prevention

Businesses have various and long-standing obligations to be on alert for fraud and scams and to act in their customers' best interests. So, a first consideration in determining Tide's obligations here would normally be: should they reasonably ought to have held any suspicions or concerns in relation to the payments, and if so, what might have been expected from a proportionate intervention.

In this case, I'm satisfied S authorised the relevant payments, and as explained above, Tide would generally be expected to process payments a customer authorises it to make.

That said, as a matter of good industry practice, Tide should have taken proactive steps to identify and help prevent transactions – particularly sufficiently unusual, uncharacteristic or suspicious transactions – that could involve fraud or be the result of a scam. However, there are many payments made by customers each day and it's not realistic or reasonable to expect a business to stop and check every payment instruction. There's a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments.

In this case, having considered the circumstances of the payments made, I agree the payment for £140,000 was large and that Tide should have intervened. But for me to find it reasonable that Tide should refund the payment requires more than me finding that they should have intervened. This is because many large payments will be made for a genuine purpose and not linked with fraud or a scam.

For me to ask Tide to refund the payments, I would need to be satisfied that not only did they fail to intervene, but that had they intervened, the loss would have been avoided.

So I have thought about whether appropriate intervention or further questioning would likely have made a difference. Ultimately, I don't think an appropriate intervention by Tide would

have made a difference or prevented the payments from being made here.

The investment wasn't one that Tide were recommending or endorsing. Their role was to make the payments that S asked them to make, as they had already made the decision to invest, based on what they had been told and the research that had been carried out. And while there may now be concerns around the borrower given what S have learnt since not receiving their returns, I must consider what Tide could have established, had they spoken to S about the payments at the time they were made. Ultimately, I don't think I can fairly say that Tide would have been able to give S any information that would have led them to doubt what they already knew about the investment.

So, even if S had been questioned by Tide about the payments being made, I don't think it would've highlighted anything that would've caused them any concern or led them to believe they were at risk. I will explain why in more detail below.

I can see that before making the payment, Ms R, along with a colleague met the borrower in person, who showed them the property they were investing in. Ms R said the borrower promised a return of 25% within six months and provided absolute confidence when he also promised that a second charge would be registered via Land Registry, effectively securing the funds. Ms R said they did as much due diligence as they could and believed the borrower to be an honest person. They spoke to managers at A and asked questions about the integrity of the borrower, where nothing was flagged up. They also checked that B was registered with Companies House, which it was.

I also carried out a search to see what would have appeared regarding B at the time the payments were made, and I wasn't able to find anything to suggest it was a fraudulent company. I understand Ms R has said that B has since been struck off, but I can only look at what would have been available at the time the payments were made. And just because a company may not operate anymore, doesn't confirm it was ever operating as a scam.

I also note the comments given that following the sad death of the borrower, S discovered multiple things that raised concern, including at least one other agreement identical to theirs, which was also given the promise of a second charge, and that their second charge hadn't been registered. They also explained that contact with the borrower was sporadic, he kept moving the goalposts in relation to when they would get paid, and when they visited his address, the occupant hadn't heard of him.

But again, while all of this (along with the other things mentioned by S which have been considered in full) may now suggest that the borrower may have been involved in something untoward, I can only look at what was known at the time the payments were made.

I've also taken into account Ms R's submission that had Tide asked whether S had given their agreement to a solicitor to check, they would have realised they needed to do that and wouldn't have proceeded with the payment. However, I don't believe this is a question that Tide would have been required to ask.

Taking everything into account, I am satisfied the payments made and the reasons for them wouldn't have necessarily indicated the company was fraudulent (or that the investment was a scam) at the time S asked Tide to make them.

All things considered, I don't think it would've been readily apparent that the company might be fraudulent rather than simply a higher risk investment. I don't think Tide could have uncovered information that would have led to significant doubts at that point in time through a proportionate enquiry about the payments. Neither do I think that S could have uncovered such information at the time – they are not at fault here.

To summarise on all of the above, I can only reasonably expect any intervention or enquiries made by Tide to have been proportionate to the perceived level of risk of the company being fraudulent. I don't think that an intervention or enquiry would have made either Tide or S question the legitimacy of B.

So having considered everything in detail, I'm not persuaded that Tide were at fault for carrying out the relevant payment instructions, or for not preventing S from making the payments.

Recovery

I've also looked at whether Tide took the correct steps once S contacted them to dispute the payment.

I can see that Tide did try to recover the funds, but due to the amount of time that had passed, none remained.

Having carefully considered everything overall, I don't find that Tide could have reasonably prevented the losses S have incurred. In saying this, I don't underestimate the impact on S as they have lost such a significant amount of money. However, it is simply the case that I don't consider I can fairly and reasonably hold Tide liable for that loss.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 12 November 2025.

Danielle Padden
Ombudsman