

## **The complaint**

Mr I is unhappy with the actions taken by Tide Platform Limited as the receiving bank, when he sent money to one of its customers as the result of a scam.

## **What happened**

Mr I paid a painter and decorator a deposit of £1,680 for work on a property he'd recently purchased. Mr I asked for the work to be delayed, and after the job was pushed back a few times the decorator refused to carry it out. They advised that the wait had been too long. Mr I requested his deposit back, but the decorator refused saying they'd lost out on work due to the delay.

On the decorator refusing to return his deposit Mr I contacted the sending bank, I'll call V, to raise a scam. On being advised by V that his funds wouldn't be returned Mr I complained to Tide. I've issued a decision against V under a separate complaint reference.

He was unhappy for several reasons, not limited to:

- A client of Tide took his money to carry out work but then refused to complete the job
- Tide refused to investigate or return the funds even though its customer has admitted he has no intention of completing the work
- Tide continued to allow the decorator's account to remain open even though Mr I was scammed
- He'd like Tide to return his funds

Tide reviewed Mr I's complaint but didn't uphold it. Overall, it thought there weren't any red flags to raise concerns, and it had successfully completed Know Your Customer (KYC) checks on its customer's account.

Mr I remained unhappy with Tide's response, and he argued that if Tide had allowed him to pay the deposit via a payment link then he'd have been protected. So, Mr I brought his complaint to our service.

One of our Investigators looked into Mr I's complaint but they didn't think Tide acted unfairly. In short they thought Tide carried out sufficient KYC and due diligence on opening the account, they couldn't see any indications that the account was being used for fraudulent transactions prior to receiving Mr I's payment and they were satisfied all the funds had been spent by the time V notified Tide of Mr I's allegation.

Tide accepted the view but Mr I didn't. In summary he asked:

- What steps have Tide taken against their client to ensure this doesn't happen again?
- At what point would Tide take reasonable steps to close an account based on reports of fraud?
- What steps have Tide taken to encourage the fraudster to repay the money?

As Mr I didn't agree the matter has been referred 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.

I appreciate Mr I has asked several questions including when Tide might choose to close a business account however my role isn't to share or provide general information about Tide's internal process around account closure. Instead, it's deciding whether in the circumstances of this case Tide acted appropriately upon receipt of notification of the alleged scam.

I understand Mr I's also asked Tide to refund his money as it prevented him from paying via a debit card. And if it allowed him to do so he'd have been protected. From what I've seen it wasn't a service that it was providing to its customer, therefore it wasn't something it ought to have done and failed to do so. And even if that were the case I couldn't fairly conclude that not providing this resulted in a loss to Mr I.

Tide has shared with our service copies of the proof of identity and address verification documents it obtained, and evidence of the checks it carried out as part of the account opening process. It has also shared the information it gathered at account opening about the intended and expected use of the account. I'm satisfied the checks Tide completed were in line with its regulatory obligations. So, it follows that I don't think there is any reason, based on the opening of the account, to ask Tide to do more here.

I've also carefully considered whether there was anything prior to V notifying Tide of fraud that ought to have alerted it sooner to possible fraud. I've considered the length of time the account had been open and operating without any concerns, the previous account activity, it's expected use and where to and how Mr I's funds were paid away. Having done this, I don't think that the arrival of Mr I's payment, nor the movement of those funds out of the account would have given Tide cause for concern in a way that I'd say it ought to have intervened. So, I don't think Tide missed an opportunity to prevent Mr I's loss in this way either.

Upon receipt of a notification of an alleged scam a receiving bank is required to carry out its own investigation before reaching a decision about how it'll treat a claim received. Here the receiving account was a limited company account which had been open for two years, and over the course of running a business it can from time to time receive such disputes. Tide have advised that Mr I's was the first claim it received – it hadn't received any other claims. It made enquiries with the account holder, as we'd expect, and based on their response decided to treat the matter as a civil dispute between the two parties. I don't think this was an unreasonable conclusion for Tide to reach at time given the length of time the claim was raised after the event and the account had been operating fine without any reports similar to Mr I's for two years.

Mr I's also argued that Tide ought to have helped him recover any funds that remained, however I'm satisfied Tide didn't need to do this because they fairly treated the claim as a civil matter.

I realise this will disappoint Mr I, but for the reasons I've outlined above I won't be asking Tide to do anything further here.

### **My final decision**

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 2 March 2026.

Jeff Burch  
**Ombudsman**