

The complaint

Mrs H, complaining on behalf of her business S, complains that Tide Platform Ltd (Tide) declined to reimburse £3401.99 that she paid after falling victim to a scam on 22 October 2024.

I was sorry to hear of Mrs H's experience and that she has needed to contact us under these circumstances.

What happened

On 22 October 2024 Mrs H received a call from what she believed at the time to be her bank, Tide. The caller was actually a scammer.

The scammer explained they had identified suspicious transactions on Mrs H's account and needed to verify whether they were hers. Mrs H confirmed the transactions were not hers.

The scammer then asked Mrs H to authorise a payment of £3401.99 on her banking app. They explained this was in order for them to block the payment. Mrs H authorised the payment to a third party company called R.

After further discussion and a second phone call, the scammers attempted to get Mrs H to transfer money from her personal account that she holds with a different banking provider. At this point Mrs H realised that she had been the victim of a scam and she immediately telephoned Tide to report the incident.

Tide took the details of the scam over the phone and advised Mrs H they would need to raise this as a disputed transaction. Tide were not able to recover Mrs H's funds.

Mrs H complained to Tide on 11 November 2024 and they sent a response on 25 November 2024. Tide explained that they did not uphold the complaint and did not have chargeback rights, due to the nature of how R operates, and so could not recover Mrs H's money.

Mrs H was unhappy with Tide's response and so she complained to this service.

Our investigator considered Mrs H's complaint and gathered information from both Mrs H and Tide. They concluded that Tide had not acted fairly. Their view was that Tide should have identified this as a suspicious transaction and contacted Mrs H directly to query this further. Our investigator recommended that Tide reimburse Mrs H £3401.99 and pay simple interest at 8% per year.

Mrs H agreed with the investigator's view, however Tide disagreed. They explained that Mrs H did not take reasonable precautions throughout the scam, such as acting on the warning prompt sent as part of the 3D Secure (3DS) payment authorisation that warned Mrs H not to approve payments if she was being asked to do so by someone else. Tide asked for an Ombudsman to consider the complaint.

As such this case has come to me to make a final decision.

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've decided to uphold Mrs H's complaint.

I understand falling victim to a scam or fraud of any kind is a distressing experience and I have taken into consideration Mrs H's explanations and evidence around what happened and the significant negative impact these events have had on her, particularly as it impacted her business and has caused her to lose trust in her bank. I am sorry Mrs H needed to contact us in these circumstances.

In broad terms, the starting position at law is that a banking institution such as Tide are 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.

But, taking into account relevant law, regulators' rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that 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. 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;

Having reviewed all the evidence presented to me for this case, I have seen that both parties agree that Mrs H authorised the payment.

I understand Mrs H approved the transaction under a misapprehension, as she believed her bank had phoned her to help protect her money from an ongoing scam. Despite that, she accepts that she confirmed the instruction to the bank.

I have reviewed the statements on Mrs H's account to understand how she used her account. I have seen that the payment of £3401.99 was out of character for Mrs H's account, as her previous transactions were of low value.

Tide acknowledge that the higher value of Mrs H's transaction on 22 October 2024 was cause for heightened scrutiny, but explain that this is why the 3DS platform exists to provide warnings to customers when transactions with increased risks take place.

Tide has told us they sent Mrs H newsletters to set out how to act if Tide phoned her and they explained that a 3DS message was sent to Mrs H, which included a warning not to approve payments if being asked to do so by someone else.

However, these were generic warnings and given that this transaction was out of character for Mrs H's account, this should have raised a suspicion with Tide that Mrs H might be at risk of harm.

In their response to our investigator's view, Tide explained that providing manual outbound contact for every large or new transaction would be operationally challenging. Whilst I acknowledge that providing a human intervention for all transactions that might be considered out of character may not be proportionate, given the nature and value of this transaction I consider that Tide should have provided a warning that was more targeted to this scam, to alert Mrs H that she might be the victim of a scam.

Mrs H realised that she was a victim of a scam shortly after making the payment and I have seen no evidence to suggest the scammers were coaching her to mislead Tide, nor that she is likely to have misled Tide had they contacted her directly.

As such, I consider it most likely that if Tide had contacted Mrs H to provide a scam warning specific to this transaction, she would have realised she was being scammed and would most likely not have approved the payment.

Tide argue that Mrs H did not act reasonably by approving the payment despite the warning on the 3DS message. However, I note from Mrs H's account of events that she was reassured by the scammers into thinking she was talking to Tide and was also put under pressure to act quickly. The absence of a targeted intervention by Tide specific to this transaction meant that Mrs H wasn't sufficiently alerted to the risk of harm.

In response to Mrs H's call to report the scam, Tide raised a chargeback request to try and recover her money. This was rejected as the chargeback scheme is designed to settle disputes between card issuers and merchants. However, the nature of the transaction with R, where money from Mrs H's account was immediately transferred to a third party, meant the chargeback wasn't successful.

I understand Mrs H says that the transaction to R should be considered an authorised push payment (APP) scam and should therefore be reimbursed.

An APP scam is a specific type of authorised scam where the payer completes the necessary steps to consent and ultimately authorise a transfer of money using Faster Payments or the Clearing House Automated Payment System (CHAPS) and in accordance with the Payment Services Regulations (PSRs). Payments using a credit or debit card don't fall under the definition of APP.

This means that chargeback was Tide's only option to recover Mrs H's funds, which they attempted but which was rejected. I consider Tide took the appropriate steps to try and recover Mrs H's funds.

Given everything I have considered above, I propose to uphold the complaint as Tide should have identified the transaction as suspicious and that Mrs H was at risk of harm. As such they should have contacted Mrs H to provide a targeted warning. I consider that Mrs H's loss would have been avoided if Tide had taken that action.

Putting things right

Tide need to:

- Refund the total loss that Mrs H suffered of £3,401.99
- Pay Mrs H simple interest at 8% per year, calculated from the date of loss to the date of settlement.

My final decision

My final decision is that I uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 5 December 2025.

Matthew Warrington
Ombudsman