

The complaint

S complains that Tide Platform Ltd won't refund money they say they lost to an investment scam.

S is being supported in making their complaint by a representative. But for ease, I'll only refer to S in this decision.

What happened

The background to this complaint is familiar to both parties, so I'll only refer to some key events here.

S said that in 2022 they found out about an investment company (which I'll refer to here as 'T') via groups the Director of S was part of on social media. S says they were invited to attend a webinar hosted by a representative of 'T' (who I'll refer to as Mr C) where it was explained how the investment it offered worked.

S explained that 'T' undertook investments on behalf of people in a wide range of things such as forex, emerging markets and commodities. They added that they were promised returns of 7% per month and were reassured by the fact 'T' was regulated in another country (not the UK). S says that they understood their investment to be in forex trading, with payments first being made to a crypto exchange before being transferred onto 'T's trading platform.

Before deciding to invest, S said they reviewed 'T's website and documentation, as well as carrying out online checks. They said they found 'T' to be *"highly knowledgeable and professional"* and were reassured by its global presence.

S then made the following faster payment from their Tide business account as part of the investment. The payment was made to an account in the Director of S's name with a legitimate crypto exchange (which I'll refer to here as 'B'), via its payment processor, before being transferred onto 'T'.

Date	Amount
15/3/2022	£100

Between March 2022 and January 2023 S also made payments towards the investment from two other accounts in the Director's name with different banks (which I'll refer to as 'M' and 'N'). S also made payments towards the investment from another business account with an EMI (which I'll refer to here as 'W'). S made the following faster payments from their Tide account to 'N' to fund the payments towards the investment with 'T'.

Date	Amount
21/3/2022	£10,000
22/3/2022	£1,100
Total	£11,100

S believe Tide should've been concerned about all the above account activity.

Tide didn't flag any of the payments as suspicious.

S explained that they received returns on their investment, but that this was reinvested with 'T' to fund a property and upcoming wedding. They later learnt that 'T' had converted their funds into its own crypto currency coin without their consent – and that communication with 'T' ceased after the crypto currency “*purportedly crashed, rendering it worthless*”. At this point S started to think they'd been the victims of a scam.

On 8 March 2024 S complained to Tide. Essentially, they thought it should've questioned them about their payments, at which point they said the 'scam' would've been uncovered and their subsequent loss prevented. S wanted their loss refunded, together with 8% interest for the loss of use of funds.

Tide didn't uphold the complaint. It thought it was right not to have flagged the payments as suspicious, given S's previous account activity, but even if it had, it didn't think this would've prevented S's loss. S referred their complaint to the Financial Ombudsman. They said they didn't:

“believe there were sufficient checks done at the time” and that they were not *“protected as a customer”*.

They further added that they:

“moved large amounts of money out of the account” and that they didn't believe *“adequate security checks were in place at the time”*.

Our Investigator didn't uphold the complaint. In summary, she didn't believe there was conclusive evidence that 'T' was a scam. In particular, she said:

- Although not regulated by the Financial Conduct Authority (FCA), 'T' is a legitimate business which is still active.
- 'T' is still regulated (albeit outside of the UK) and has been since 2016.
- There is no evidence that S's funds hadn't been invested as expected.
- There is no proof that 'T' intended to defraud its investors from the offset.
- 'T' might've made poor financial decisions; but this doesn't prove it to be a scam.

Further to the above points, our Investigator didn't think the £100 payment should've flagged with Wise given its low value. She said arguably, the £10,000 payment should've been questioned by Tide, but she didn't think this would've prevented S's loss given they were convinced that 'T' was a genuine investment; and because there was no adverse information about 'T' at the time of the payments.

S disagreed and asked for an Ombudsman's decision. In short, they argued 'T' was a scam and that this could've easily been uncovered by Tide if it had intervened appropriately in their payments.

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 decided not to uphold this complaint. I know this is not the answer S was hoping for, and so this will come as a disappointment. I'm really sorry to hear about the situation they've found themselves in, and I can understand why they'd want to do all they can to recover the money they lost. But I need to decide whether Tide can fairly and reasonably be held responsible. Overall, I've decided that it can't be. I'll explain why.

I've considered this case on its own merits and focussed on what I think is the heart of the matter here. As a consequence, 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 consider is a fair and reasonable outcome. Our rules allow me to do this, reflecting the informal nature of our service as a free alternative to the courts.

As such, the purpose of my decision isn't to address every single point raised. My role is to consider the evidence presented by the parties to this complaint, and reach what I think is an independent, fair and reasonable decision, based on what I find to be the facts of the case. For context, I've considered the circumstances of S's complaints about 'N', 'M' and 'W' – but my findings in this decision relate only to the actions of Tide.

Not every complaint referred to us and categorised as an investment scam is in fact a scam. Some complaints simply involve high-risk investments that resulted in disappointing returns or losses. Some traders may have promoted these products using sales methods that were arguably unethical or misleading.

However, while customers who lost out may understandably regard such acts or omissions as fraudulent, they don't necessarily meet the high legal threshold or burden of proof for fraud, i.e. dishonestly making a false representation and/or failing to disclose information with the intention of making a gain for himself or of causing loss to another or exposing another to the risk of loss (Fraud Act 2006).

It isn't in dispute that S authorised the faster payments they made to 'B' for the purchase of crypto. The payments were requested by S using their legitimate security credentials provided by Tide. In line with the Payment Services Regulations 2017, consumers are liable for payments they authorise. Tide is expected to process authorised payment instructions without undue delay.

Tide also has obligations to help protect customers from financial harm from fraud and scams. Those obligations are however predicated on the funds having been lost to a fraud or scam.

S strongly believes that 'T' was operating a scam, and that Tide ought to have intervened in their payments. But on researching 'T', I can see that it was incorporated in an overseas jurisdiction. It was regulated by the financial services regulator in that jurisdiction at the time of the disputed payments, and 'T' remains regulated, albeit under a different name.

While regulatory requirements can vary from one jurisdiction to another, in my opinion, a scammer is highly unlikely to want any kind of regulatory oversight, given the likelihood of its true purpose being discovered.

Further to that, I recognise 'T' may not have been regulated to offer services in the UK at the time of S's payments. I also acknowledge that two overseas regulators had issued alerts about 'T' about offering services in their jurisdiction without license. And, in 2023, its regulator took steps to address management issues and concerns regarding shareholder influence. While this information does indicate that there may have been some poor business practices in some areas, it's not enough evidence that 'T' was set up to defraud customers, as S have claimed.

For completeness, even if I were to accept that S had been scammed, I don't think Tide ought to have done more to protect them. I'll explain why.

I agree with our Investigator that the £100 payment made on 15 March 2022 was of such a low value that it was reasonable for this not to flag with Tide as suspicious. S's account was used as a business account – and from looking at statements from the proceeding months, I can see there are several payments, to different payees, of a similar and much higher amount to the £10,000 payment made on 21 March 2022. And so, I don't think Wise's

position that all the disputed payments were in keeping with S's normal account activity is unreasonable.

Further to that, for me to find it fair and reasonable that Tide should refund the payments to S would require more than a finding that Tide ought to have intervened. I would need to find not only that Tide failed to intervene where it ought reasonably to have done so (which I don't) — but crucially, I'd need to find that but for this failure, the subsequent loss would've been avoided.

That latter element concerns causation. A proportionate intervention will not always result in the prevention of a payment. And if I find it more likely than not that such a proportionate intervention by Tide wouldn't have revealed the payments were part of a fraud or scam, then I couldn't fairly hold it liable for not having prevented them from being made.

In thinking about this, I've considered what a proportionate intervention by Tide at the relevant time would've constituted, and then what I think the result of such an intervention would most likely have been.

To reiterate, Tide's primary obligation was to carry out S's instructions without delay. It wasn't to concern itself with the wisdom or risks of their payment decisions.

In particular, Tide didn't have any specific obligation to step in when it received a payment instruction to protect its customers from potentially risky investments. The investment with 'T' wasn't an investment Tide was recommending or even endorsing.

Tide's role here was to make the payments that S had told it to make. They'd already decided on that investment. And I find that Tide couldn't have considered the suitability or unsuitability of a third-party investment product without itself assessing S's circumstances, investment needs and financial goals.

Taking such steps to assess suitability without an explicit request from S (which there wasn't here) would've gone far beyond the scope of what I could reasonably expect of Tide in any proportionate response to a correctly authorised payment instruction from its customers.

If Tide had asked S about the £10,000 payment, I don't think their likely responses would've been of concern to Tide. I say that because S thought the investment was entirely legitimate — having attended a webinar, carried out their own research and received returns.

And even if Tide had encouraged S to carry out further checks into 'T', I think it's likely, on balance, those checks would've resulted in confirmation of 'T's regulation (albeit overseas) and being directed to the regulator's website.

Furthermore, there wasn't much adverse information about 'T' before July 2022; aside from the investor alerts which I've mentioned above; and most negative reviews were about delays with withdrawals, or customer service issues - which investors were made aware of via 'T's chat group.

It appears that some scam reviews appeared about 'T' from October 2022, with mention of funds being turned into its own crypto currency coins; and questions raised about the license of 'T'. But again, this was announced to investors in advance. And given S continued to invest in 'T' (both as a business and in a personal capacity) until January 2023 — suggests to me they had no obvious concerns.

I think it's also of significance here that S has said they were keeping themselves well informed on the investment, specifically saying that they were:

“Engaging with webinars by [Mr C] and receiving updates on funds from other investors influenced [their] decision to maintain funds for interest earnings.”

So, if Tide had raised any concerns about 'T', I think there's a strong possibility that those concerns would've been allayed by Mr C, or by other investors that S were in contact with.

All things considered, I can only reasonably expect any intervention or enquiries made by Tide to have been proportionate to the perceived level of risk of 'T' being fraudulent.

So, even if I had been persuaded, from the evidence I've seen, that 'T' was a scam, I don't think, on balance, that a proportionate enquiry in 2022 into any of S's payments would've led to either Tide or S considering 'T' being anything other than legitimate. With that in mind, and all considered, I'm not persuaded that Tide was at fault for carrying out the relevant payment instructions, or for not preventing S from making their payments.

On a final note, I've considered whether, on being alerted to the scam, Tide could reasonably have done anything more to recover S's losses, but I don't think it could have. The payments were for the purchase of crypto that was forwarded on to 'T'. Tide could've only sought to recover funds from the crypto provider ('B'), but no funds would've remained. And if they did, they would've been in S's own control to access.

I have a great deal of sympathy for S and the loss they've suffered. But it would only be fair for me to direct Tide to refund their loss if I thought it was responsible – and I'm not persuaded that this was the case. And so, I'm not going to tell it to do anything further.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision **before 28 August 2025**.

Anna Jackson
Ombudsman