

The complaint

Mr B complains ClearBank Limited won't refund the money he lost to a scam.

ClearBank Limited partners with Tide to provide accounts for its customers. For ease, I've generally referred to Tide in my decision.

What happened

Mr B says he previously lost a significant sum to a cryptocurrency investment scam. He was then told his investments had been traced – and he would need to deposit £75,000 (which would then be returned) to satisfy anti-money laundering concerns in order to retrieve his funds. Unfortunately, this was a 'recovery' scam.

In February 2023, Mr B set up an account with Tide. Across February and March 2023, he sent a series of transfers from his Tide account which I understand were used to purchase cryptocurrency to send on to the scam.

In April 2024, a professional representative for Mr B complained to Tide – alleging it had missed opportunities to intervene and uncover the scam. When Tide didn't agree to refund Mr B, they referred the matter on to our service.

Our investigator found that, shortly before the payments Mr B has disputed, he attempted to make a card payment connected to the scam – and Tide blocked it. He thought this was a missed opportunity to uncover the scam. As he also thought Mr B shared some liability for what happened, he recommended Tide should refund 50% of Mr B's loss.

Tide appealed the investigator's outcome. It said the subsequent disputed payments were made via transfer, not card. Mr B had newly set up the account, claiming it was for a consulting business, so the transfers hadn't appeared unusual or concerning.

The case was then passed to me. I issued a provisional decision explaining why I wasn't minded to uphold it:

Mr B has confirmed he made these payments. That means the starting position is that he's liable for them. In line with the Payment Services Regulations 2017 (PSRs), firms are expected to process authorised payment instructions without undue delay.

That said, there are some situations where I would reasonably expect a firm to make further enquiries about a payment before deciding whether to process it – such as in circumstances to suspect it presented a fraud risk. If a firm failed to respond proportionately to such a risk, and doing so would have prevented its customer from incurring a fraudulent loss, it may be fair to hold them liable.

Here, as our investigator pointed out, Tide did identify a fraud risk in association with a payment attempted in connection with the scam; an £8,000 card payment to a cryptocurrency merchant. So, I've considered whether this was a missed opportunity to prevent the scam from unfolding.

Mr B didn't respond to Tide's messages about this payment asking what it was for, so it cancelled the payment. I consider that reasonable. The subsequent scam payments were sent in a different way – as transfers, to who I understand were "peer-to-peer" cryptocurrency sellers. So, I don't think Tide had cause to suspect the subsequent payments were connected to the previously attempted card payment.

Tide says the subsequent transfers didn't appear suspicious – pointing out this was a newly-opened "sole trader" account, affecting what level of activity it would expect to see. I asked Mr B's representative why he opened a business account rather than a personal account. They said he wasn't aware of this and had intended to open the account in a personal capacity.

However, I can see Tide asked Mr B for information about his business shortly after the disputed payments and he said he was intending to set up a building consulting business. It asked for further records, which Mr B didn't provide – subsequently leading it to close his account.

While his representative says Mr B was confused when asked about his alleged business, that isn't apparent in his detailed responses to Tide at the time. Furthermore, I've seen he also spoke to another bank about payments he was sending to Tide. They had scam concerns and asked him what the payments were for. He said he was paying an account he had set up for his building consultant business as he wanted to keep the funds for that business separate.

I've seen no indication Mr B took steps to set up such a business. However, his responses at the time suggest he knew he was setting up a business account. And I do think that was relevant to what level of account activity looked concerning. The payments all seemed fairly similar in character and size. So, I can see why this fed into Tide's expectations around what level of account activity was normal for Mr B – making the scam risk less clear.

I do appreciate Tide subsequently had concerns about the account activity. But it appears its concerns were around whether the account was being used for business purposes – not because it suspected Mr B might be falling victim to a scam. But even if Tide had questioned Mr B about the disputed payments, I'm not persuaded this would have prevented his loss.

When Tide asked Mr B about how he was using the account, he said he was purchasing cryptocurrency to invest, as he'd done for several years. But while it was correct he was purchasing cryptocurrency, his responses didn't make clear that he was paying to access funds (rather than making a direct investment). Nor that, as he'd reported to several banks by this point, the previous "investment" had in fact been a scam. He also claimed the investment returns would be used for business purposes – which, as above, contradicts what he has told us more recently.

I've also found Mr B spoke to other banks he held accounts with about payments connected to this scam, including top-ups to his Tide account to fund the scam payments. He didn't disclose that the payments were being used to purchase cryptocurrency, instead giving the impression they were intended for direct use setting up a business. It's also clear he was resistant to, and frustrated by, the banks' attempts to intervene.

One bank could see that Mr B was using remote access software – a feature of both this scam and the original investment scam. Mr B maintained he was aware of this and knew what he was doing. When payments were blocked, Mr B said he should be able to move his own money when he wants, saying he “could sue” the bank for what they were doing in blocking or delaying his payments.

Mr B has also provided records of reporting the scam to the police in March 2023. But he later on told another bank he didn’t believe he had been scammed in May 2023 – saying he had set up a cryptocurrency wallet himself with some help from his nephew, and no-one else knew his password. This seems at odds with his description of how the scammers used remote access software to set up the wallet.

All of this leads me to doubt whether proportionate questioning from Tide about the scam payments would have successfully prevented Mr B’s fraudulent loss. It’s clear he was very taken in by the scam, and was persistent about paying. Even when other banks– who unlike Tide, had more insight into how he normally transacted, and of the previous scam he fell victim to – told him they had concerns, he was adamant he wanted to proceed.

It also appears Mr B may have been persuaded to proceed even after having concern enough of his own to report the matter to the police; this overlapped with the time Mr B was talking to Tide about his account activity, yet he expressed no fraud concerns. It also appears that, when questioned by Tide and others about what he was doing, Mr B omitted some details that may have made the scam risk clearer – which, from experience, I consider likely to be a consequence of guidance and coaching by the scammer.

As the payments were sent on to the scam via Mr B’s own cryptocurrency wallet, Tide couldn’t have recovered the loss when the scam was reported either. Overall, having carefully considered all the circumstances, I’m not persuaded it would be fair to hold Tide at fault for Mr B’s fraudulent loss.

I invited both parties to provide any further points or evidence. Tide confirmed it accepted my provisional decision and had nothing further to add. Mr B’s representative said it thought some aspects of the complaint warranted further consideration. In summary, it argued Tide failed to adequately identify and respond to the fraud risk – and that if it had done this, along with questioning Mr B’s intended business purpose better in response to him purchasing cryptocurrency, this may have prevented his loss.

What I’ve decided – and why

Before going on to explain my outcome, I want to clarify one point regarding the capacity in which Mr B is complaining – as this is relevant to our jurisdiction over the matter. Although Mr B opened a business account, the payments he made were intended to recover funds from a personal investment, using funds transferred over from his personal account. So, I’m persuaded he was effectively acting as a consumer – even if he was planning on using any recovered funds to subsequently set up a business.

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 it. That is largely for the reasons given in my provisional decision, which are set out above and also form part of my final decision. So, I’ve focussed here on addressing the response to my provisional findings.

The response from Mr B's representative further indicates he was aware he was setting up a business account – as it says the scammers led him to believe he could set this business up once he retrieved his funds, and that this was “always his intention”. But prior to me issuing my provisional decision, it told me he wasn't aware it was a business account. Additionally, as my provisional decision explained Tide did question him about the nature of his business – and he provided an explanation about how he was investing to bring a return for business endeavours.

The main point I consider key to my outcome here is that, regardless of whether Tide probed Mr B further about what he was doing – either in relation to his business activities or due to fraud concerns – I'm not persuaded Tide would have got to the bottom of what he was doing in order to successfully warn him of the scam risk and dissuade him from proceeding.

The lack of clarity I have about what Mr B understood he was doing at the time makes it harder for me to rely on his arguments (from his representative) about why further questioning would have succeeded. Especially when the information I have both from Mr B's contact with Tide, and with other firms involved in the scam, suggest he *wouldn't* have responded in a way that made a scam risk clear.

As I've covered above, Mr B was persistent about making payments in connection with this scam. And when speaking to other firms, the explanations he gave didn't make the nature of the scam risk clear (such as claiming he was paying a cryptocurrency wallet his nephew had set up, or claiming he was moving funds over to set up a business).

On balance, I don't have confidence that Tide would have been able to uncover the scam and dissuade Mr B from proceeding if it had questioned him more thoroughly about what he was doing. I therefore don't think it would be fair to direct it to refund his loss.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 23 October 2025.

Rachel Loughlin
Ombudsman