

The complaint

Business A complains Tide Platform Limited cancelled a payment then blocked its business account.

What happened

Business A explained Tide blocked its business account and said it required details about a transaction before it would unblock it. A said this meant it couldn't make payments or charge customers for this period. A said payments from clients bounced back and this caused reputational damage. A explained it provided the information Tide requested, which included a receipt, but Tide then asked for further information and didn't unblock the account.

A explained Tide had offered compensation, but didn't think this was sufficient for the distress and business interruption suffered. A also described the reputational damage this caused and described the impact this had on the business.

Tide issued a final response letter to A. It explained A attempted to make a payment on 25 February 2025 which it stopped for further checks. Tide said it asked for supporting documents about the transfer, explaining the payment would be cancelled if this information wasn't received within five working days. Tide said it also told A if it delayed the response it might result in the account being suspended.

Tide explained it sent several reminders to A over the next few days but didn't receive the documentation it had requested. Tide said it told A it would restrict outbound payments on 10 March until the *'inquiries were addressed accordingly'*.

Tide said A provided a document related to the transaction in late March. Tide explained the transaction in question had by this time been cancelled. Tide said A explained it wanted to make further payments to this person in the future, so Tide raised the issue internally.

Tide explained it needs to comply with a variety of regulatory obligations and undertakes certain checks. It explained if the information it requests isn't provided, payments can be paused or cancelled and accounts restricted, as happened here.

Tide accepted it could have handled A's complaint with *'greater haste'* and apologised for the inconvenience caused. It initially offered A £75 as compensation, Tide has since raised its offer to £150.

In response, A said it sent the information Tide requested, but it asked for more information. A also said Tide asked for incorrect information which led to the delay.

The evidence on file shows the following:

- Tide contacted A on 25 February via its online chat function, the day the payment was instructed. Tide clearly asked for the name of the person/company being paid, the address, the nature of the business, and the reason for the transaction with supporting documentation such as a receipt or invoice.
- A briefly responded, explaining the payment was to a person not a business, I haven't seen any evidence A provided anything else. Later that day, Tide asked for the above information again. The evidence suggests A didn't respond to this request.

- Tide wrote a further chat message to A on 27 February stating it hadn't had a response and offered the opportunity to make an appointment at a convenient time.
- Tide made further contact with A on 3 and 4 March, again requesting details, which A didn't appear to respond to.
- Tide telephoned A on the 5 March, it has provided a recording of this call which I have listened to. Tide explained it had tried to contact A by chat, A confirmed Tide had asked it for information '*about four times*'. A explained it was a personal transaction to a third party whilst abroad. A said the transfer was to another person for food they ordered and didn't have any documentation. As the conversation progressed, A confirmed he might have a receipt for the food, stating he would download it and submit it. A didn't reference submitting documents or contacting Tide before, during this call.
- Tide then contacted A again via the chat on 10 March. It explained it had now restricted payments out of the account, but said A would still be able to receive payments, as Tide apparently hadn't received the information.
- On 22 March A uploaded an invoice document on the chat function.
- On 24 March Tide asked some further questions, on 25 March it reiterated the account was still paused and said A couldn't either make payments or receive them.
- A sent a series of messages asking for assistance on 25 and 26 March, explaining the pause was now causing difficulties. Tide didn't respond to these messages until 27 March, explaining it was awaiting an update from the team dealing with the issue. However, Tide decided to also lift the block at this time. The account appears to have operated normally after this date.

Our investigator thought the offer of £150 compensation for distress and inconvenience was fair and reasonable in the circumstances

They accepted Tide could stop payments and would have systems in place to detect and stop certain activities. They thought the notes Tide had provided showed it asked for information '*promptly*' and explained what would happen if this information wasn't provided. They also thought Tide had taken reasonable steps to acquire this information from A over the three weeks in question.

Our investigator said all direct debits and '*priority bills*' were paid during the period in question. They also said A was able to use the debit card for the account and paid over £3,500 this way during this period.

On balance they didn't think Tide had made a '*clear and obvious banking error*' or that the impact on A was so significant to warrant higher compensation.

A disagreed with our investigator's recommendation, pointing out it had provided evidence of payments '*bouncing back*'. A's complaint has therefore been passed 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 appreciate how strongly A feels about its complaint. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

Where evidence is incomplete, inconclusive or contradictory, I must make decisions on the balance of probabilities – that is, what I consider is more likely than not to have happened in light of the available evidence and the wider surrounding circumstances.

The starting position in law is a bank is expected to process payments and withdrawals a customer authorises it to make, in accordance with the terms and conditions of the customer's account.

There are also obligations on banks to detect and prevent certain transactions, I consider Tide should fairly and reasonably:

- have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer,
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

This means that there are circumstances where a bank should take additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm.

Banks have to strike a difficult balance between how to detect unusual activity on an account and to also not interfere with the vast majority of transactions which are not fraudulent or related to scams.

The above information is to provide context as to why Tide would have blocked the payment. I appreciate A has complained about the service it received after the payment was blocked and the length of time it took to unblock the account. I have therefore examined carefully the timeline and rules regarding what businesses should do in these circumstances. The issue for me to decide is whether I am persuaded Tide should have acted sooner than it did and whether there were any unreasonable delays.

Businesses must notify the payee when it refuses to make a payment at the earliest opportunity, and where possible, explain what information it needs to make the payment.

The evidence I have seen, outlined above, suggests Tide contacted A promptly after refusing the payment and asked for information about the transaction several times in the days afterwards. It was entitled to do this, and it appears, other than a short acknowledgement, A didn't provide any documentation until 22 March.

It appears there was a slight delay after documentation was eventually provided. Tide also blocked incoming payments for a short period after receiving this document, which appears to have caused A to contact Tide with more urgency. I am pleased to see Tide has recognised this delay and offered a total of £150 compensation for the inconvenience this caused A.

I can see A has explained the inconvenience and embarrassment this caused, however, having carefully considered the circumstances, it appears Tide asked for information which A didn't submit until 22 March.

Tide apparently decided to 'pause' A's account, by first stopping payments on 5 March, before also stopping payments into the account on 10 March. I am satisfied Tide notified A about this and explained what A needed to do to avoid this.

I am therefore satisfied there was a short delay and agree Tide could have acted with greater haste to rectify the issues. However, I think the impact was limited and the evidence suggests Tide took the action it did after notifying A appropriately, and because it didn't receive the information it needed.

On balance, I am therefore satisfied the compensation offered of £150 is fair and reasonable, is in line with what our service would expect in the circumstances for the short delay and meets the guidance our service uses when deciding on compensation for inconvenience.

My final decision

For the reasons I have given, if it has not already done so, I require Tide Platform Limited to pay a total of £150 compensation for the inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask A to accept or reject my decision before 18 December 2025.

Gareth Jones
Ombudsman