

## **The complaint**

Mr B is a sole trader. He complains that ClearBank Limited won't refund payments which he says he didn't authorise, and that it has failed to provide him with adequate support as a vulnerable consumer.

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 was using an online casino and was initially able to deposit funds and play games. But he ran into problems and was blocked from making a withdrawal – being told this was due to him being based outside the jurisdiction of the company. He says he experienced lots of issues with his phone which led him to think his phone had been hacked. He believes this allowed a fraudster to take a series of unauthorised card payments from his Tide account in April 2024.

Tide didn't agree to refund these payments. Mr B then disputed further payments – a mix of card payments and transfers – made in June and July 2024. He similarly suggested these had been made by a fraudster using malicious software on his phone. In addition to the casino, he said he had received a call from someone claiming to be Tide which he suspected was a scam around May 2024, and also hadn't been updating his phone which he thought may have left it vulnerable to being hacked. He also explained his contact details had been changed on another bank account he held, and payments taken, which that bank had accepted were fraudulent.

Mr B ultimately complained to Tide, via a professional representative, that it should refund him for these payments. He also complained it had provided poor service, failing to make adjustments he had requested due to his dyslexia. Tide didn't uphold his complaint so he referred the matter to our service.

Our investigator recommended Tide should pay Mr B £300 compensation as they agreed it had provided poor service during the claim. But they didn't think it was fair to hold Tide liable for the payments. In brief summary, they thought there were discrepancies/changes in what Mr B had told Tide and another bank whose account he said was also affected. On balance, the investigator concluded the payments were likely authorised by Mr B – and didn't think Tide was at fault for not preventing or recovering them.

Mr B appealed the investigator's outcome. His representative said further payments had continued to be attempted after reporting his dispute, supporting that he wasn't authorising them, and that Tide had failed to provide adequate support. It said while some payments had been authenticated via "3DS" checks, Mr B couldn't read these and so didn't know what he was agreeing to.

I've since been in touch with Mr B's representative to explain that, while Mr B says he couldn't read the screens for the 3DS checks, I don't think that accounts for why he would select approve to so many checks if he wasn't making/attempting payments. I also explained I didn't think Tide had any reason to think this payment method was unsuitable for him. As Mr B still disagrees, I'm proceeding to issue my 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 this will be very disappointing for Mr B. It's clear he has lost a significant sum of money in connection with these payments. But having carefully considered all the circumstances, including Mr B's vulnerabilities, I agree with the investigator's overall conclusions. I think Tide should pay him £300 compensation but I don't consider it fair to direct it to refund the disputed payments.

I want to highlight that, while I have carefully considered everything that has been submitted, my decision is focussed on the points I consider key to my determination – meaning not all information provided will be cited or commented on. And where information is unclear or contradictory, I've decided what is more likely to have happened on the balance of probabilities.

#### Is it fair for Tide to treat the payments as authorised?

Under the relevant regulations (the Payment Services Regulations 2017, "PSRs"), the starting position is that Mr B is liable for payments he authorises – whereas Tide is liable for unauthorised payments. A payment is authorised under the PSRs if it is correctly authenticated and consented to by the consumer. In practice, a payment would generally be considered authorised if the consumer completed the steps to authenticate/make the payment.

The payments Mr B is disputing here involve a mix of card payments and transfers. So, to complete all these payments, someone would have needed knowledge of Mr B's full card details as well as his Tide account details.

A few suggestions have been put forward for how an unauthorised person may have done this. I know Mr B believes his phone was hacked/remotely accessed. But having reviewed everything, I don't consider there to be sufficient evidence to show this is likely what happened, nor that it would have granted a fraudster the level of control and information needed to make these payments.

For example, there is mention of Mr B receiving a call from someone pretending to be Tide. But he said this was in May 2024 and hasn't been able to provide a record of this. Whereas some payments pre-date this, and they also continued for a significant period after. They also straddle before and after Mr B told Tide he had sold and changed his phone, and when Tide deactivated all app access and issued him with a new card. Given this, I can't see how an unauthorised person could have (re-)gained the access and information needed to make further payments.

Furthermore, I consider there to be an unexplained discrepancy between what Mr B has reported to Tide, us, and another bank whose account he says was affected in a similar way at a similar time, involving payments to some of the same merchants/payees.

Tide has already flagged that, when first disputing the payments with it, Mr B made no mention of the online casino and claimed no knowledge of these transactions. But when complaining he acknowledged initially paying an online casino. And when speaking to our investigator, he confirmed making around five payments and that they were being sent to this casino, despite showing as payments to a different merchant.

I've also listened to calls Mr B had with his other bank around the time of these payments. He told them he had found himself gambling when in a low mood, and had sent the casino "*a few thousand pounds*". He also explained the payments (from the other account) were going to lots of different merchants who he believed were being used to mask that the payments were gambling related. And a lot of the merchants/payees he named to that bank overlap with who the disputed Tide payments were sent to.

I place most weight on what Mr B told his other bank at the time. His recollections will have been fresh at that time, and it also fits into what he went on to tell Tide, and us, about the role of the online casino. I appreciate how difficult this situation has been for Mr B. But on balance, I do consider the more plausible explanation to be that he was making these payments due to struggling with gambling. I'm not persuaded it has been shown it's likely an unauthorised fraudster could have made these payments without Mr B's knowledge or involvement.

More recently, Mr B's representative has suggested he was completing 3DS screens to authorise the card payments without knowing what they were for. But I don't think it tallies that he would complete these if he wasn't making any payments and therefore wasn't expecting any such checks.

Overall, I'm persuaded Mr B completed the payments steps and did so on the understanding he was making payments. I therefore consider it fair for Tide to treat them as authorised. As explained above, under the PSRs, that means he is presumed liable for them.

Are there any other reasons why it would be fair for Tide to provide a refund?

Mr B has denied making these Tide payments. But I consider it clear that the recipients paid connect to the casino he admits paying initially; there are many more disputed payments to the same merchant, and the other merchants/recipients paid match many of the names he disclosed to his other bank as being connected. As he raised concerns about this casino being a scam, I have therefore considered if Tide ought to have been able to prevent these payments.

Under the PSRs, firms have a primary duty to enact payment instructions without undue delay. But in line with longstanding regulatory expectations and requirements and what I consider to be good industry practice at the time, I'd also expect Tide to be on the lookout for indications of fraud. If it failed to respond proportionately to such a risk, and doing so would have prevented Mr B from incurring a fraudulent loss, it may fairly hold some liability for this.

While it's been suggested the casino paid was fraudulent, I've not seen much to demonstrate Mr B was scammed into making these payments. I would expect the evidence for this to go beyond suggestions of unethical or deceptive behaviour which might give rise to a valid civil claim, such as if the casino didn't openly promote its withdrawal terms – or was operating without proper regulation while still providing genuine services. Overall, I'm not persuaded it's been shown the casino set out to trick Mr B into making these payments with no intention of providing gambling services.

Mr B also told his other bank he had received some money back from the casino, which would seem unlikely if it were operating a scam. I wouldn't fairly expect Tide to reimburse Mr B for losses incurred that weren't fraudulent, even if it failed to intervene appropriately at the time. In any event, as Mr B is now saying he didn't make the payments, when I think he likely did, it's hard to reach the conclusion that appropriate intervention would have prevented him from proceeding with any of these payments.

I'm therefore not persuaded it would be fair to hold Tide at fault for not preventing these payments. Nor do I think it missed a chance to recover his loss.

The transfers were sent to a payment processor. This payment journey means it's unlikely the funds were available to be recalled – as they would have been sent on to the casino. I further agree with the investigator that it was reasonable Tide didn't attempt recovery due to not being satisfied they were made fraudulently.

The card payments were covered by the chargeback scheme. This is a voluntary scheme, so Tide isn't obliged to raise claims for all disputes. And I would consider it fair not to do so if, under the scheme rules, it seemed unlikely the claim(s) would succeed. The explanation put to Tide at the time was that the payments were unauthorised. But claims on this basis wouldn't succeed under the rules if the payments were approved via 3DS, as these were. Given this, I consider it reasonable that Tide didn't pursue chargeback claims.

#### Should Tide otherwise compensate Mr B?

Mr B has raised concerns about how Tide communicated with him about this matter. In essence, he appears to allege that Tide failed in its duty to make reasonable adjustments under the Equality Act 2010. I've taken the Equality Act 2010 into account when deciding this complaint – given that it's relevant law – but I've ultimately decided this complaint based on what's fair and reasonable. If Mr B wants a decision that Tide has breached the Equality Act 2010, then he'd need to go to Court.

I've found Mr B disclosed early on that he needed calls rather than written contact due to his dyslexia. But there were instances where Tide continued to request information in writing. It's clear this caused Mr B upset at a difficult time.

Our investigator suggested Tide should pay Mr B £300 compensation for the distress and inconvenience caused by its communication failings in relation to his fraud claim. Monzo has accepted this. I can't see Tide has disputed – or commented on – this suggestion. And Mr B's appeal is (understandably) more focussed on the key issue of the disputed payments.

I do consider Tide's service to have fallen short in terms of how it communicated with Mr B. Based on what I've seen about the impact of this failing, I'm satisfied the £300 compensation proposed to be fair. In saying this, I'm aware Mr B's overall upset regarding this incident is significant. But I have to consider what part of this I think Tide is at fault for – and I've already explained why I don't consider it liable for the payments themselves.

#### **My final decision**

My final decision is that I uphold Mr B's complaint with regards to the service provided while considering his fraud claim and direct ClearBank Limited to pay him £300 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 13 March 2026.

Rachel Loughlin  
**Ombudsman**