

The complaint

J, a limited company, complains that ClearBank Limited won't refund all the money it has lost as a result of a 'safe account' scam.

Mr and Mrs W are J's directors – and have brought this complaint on J's behalf. ClearBank Limited, partners with Tide to provide accounts for its customers. For simplicity, I've generally referred to Tide and Mr W throughout this decision.

What happened

The background is known to both parties, so I won't repeat all the details here.

In summary, on 17 August 2024, one of J's Directors ('Mr W') was called by an individual pretending to be from Tide's fraud team. He was taken through security and led to believe there was suspicious activity on J's account. He says he was told he'd receive notifications on the Tide *app* and that he needed to 'handle' these notifications to stop payments from leaving. And that he needed to do so quickly or the money would be lost.

He also says that he grew suspicious and that, once the call disconnected, he realised he'd been speaking to a scammer. He called Tide immediately to report what had happened. By that time, about £15,287 had been sent from J's account in a series of card payments to a money remittance service ('R'). In practice, the steps Mr W took in Tide's banking *app* approved these payments. Below is a list of transactions with timings.

	Date	Time	Payee	Method	Amount
1	17-Aug-24	15:43	R	Card payment	£3,400
2	17-Aug-24	15:44	R	Card payment	£3,351.99
3	17-Aug-24	15:48	R	Card payment	£3,301.99
4	17-Aug-24	15:50	R	Card payment	£3,251.00
5	17-Aug-24	15:53	R	Card payment	£1,981.99

A complaint was later made to Tide and referred to our Service. Our Investigator upheld it. In brief, she noted Tide had offered to refund 50% of payments 3 to 5 (above). But she didn't think its offer went far enough. In her view, while it was reasonable for Tide to have treated the payments as authorised, she thought there was enough about Payment 2 to have triggered a better automated warning. If it had, then J wouldn't have lost more money. She didn't think a 50% reduction was fair given how the scam was carried out, including the pressure Mr W was under. She recommended a full refund of payments 2 to 5 plus interest.

As the matter couldn't be resolved informally, it was passed to me to decide.

Provisional decision

I issued my provisional decision on this complaint on 30 October 2025. I explained why I was minded to reach different conclusions than those of our Investigator. I gave these reasons:

Has Tide acted fairly in treating the disputed payments as authorised?

The relevant law here is the Payment Services Regulations 2017 (PSRs). These set out the circumstances in which a payer (here Mr W on behalf of J) and a payment service provider (here Tide) are liable for payments. As a starting point, J is liable for payments Mr W has authorised and Tide should reimburse unauthorised ones.

It isn't in dispute Mr W approved the payments in question in-app or that he was tricked into doing so by a scammer. But there's some conflicting information as to why he thought he needed to take those steps. For example, in his reporting call to Tide (in August 2024), he said he could see funds leaving the account but was assured by the scammer it "would all be back at 4pm as that is when it rights itself". In other correspondence, he said he didn't think he was "making payments in any way". More recently, he added "As the balance was reducing I was being told on the call that the money was being kept in a fraud department of Tide, that this prevents the scammer from taking the money and it would show in my account again at 4pm". He maintains he was handling the payment notifications to stop funds leaving the account and that he had no knowledge of R at the time.

However, to consider a payment authorised, the PSRs explain that the payer must have given their consent to the execution of the payment transaction – and that consent must be in the form and procedure agreed between the payer and the payment service provider. These are set out in the terms and conditions agreed between J and Tide.

Here, the applicable terms and conditions at the time of the payments say that the Tide card can be used at any merchant to make purchases in-store, via the internet, or over the phone and can be used to obtain cash through ATMs. And, importantly, that a Tide Cardholder may be required to undergo additional authentication steps to authorise certain Tide Card Transactions. So, based on the steps Mr W took in-app, I'm persuaded that he did authorise the payments on behalf of J. This is because the relevant terms and conditions say that the card payments are authorised by completing additional authentication steps – and this is what happened when Mr W approved those notifications in-app to make the payments.

Even if I were to find the terms don't explicitly set out what form the additional authentication would take, I'd still think it's fair for Tide to treat these payments as authorised. This is because it has provided an example of the screens Mr W would have seen when approving payments. The page starts 'Verify payment'. It provides payment information including date and time, amount, and merchant. Mr W was then given the option to 'Approve payment' or 'Reject payment'. We know Mr W selected 'Approve payment'. I consider the screens Mr W was shown were clear in that by selecting 'Approve payment' a payment would be made out of the account. And, given the clarity of the screens, I think it'd be reasonable for Tide to have relied on this as confirmation that Mr W consented to the payments.

Did Tide miss an opportunity to prevent J's loss?

Tide has a duty to act on authorised payment instructions without undue delay. But, taking into account longstanding regulatory expectations and requirements, and what I consider was good industry practice, Tide ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

The Investigator thought that Tide should have intervened on Payment 2. In appealing that outcome, Tide referred to an earlier payment from J's account for a similar amount and the fact that J held a business account. I'm mindful that R was a new payee, that Payment 2 was made quickly after the first, and that it represented an increase in spending.

But, having thought about this carefully, I'm not persuaded that the increase in spending had

become so significant, or that such a suspicious pattern had developed, at Payment 2 – to the extent that Tide should have suspected J was at a heightened risk of fraud. I think it's relevant, for example, that a card payment of about £3,900 was made in May 2024. I think it's also relevant to consider the disputed payments in the context that J's was a business account where some changes in activity might reasonably be expected from time to time.

So, in my view, it wasn't until Payment 3 that the activity had become so suspicious that Tide should have intervened and contacted Mr W about it – given, in particular, that this was now the third significant payment made, in quick succession, to the same payee that day.

In practice, as part of such an intervention, Tide would have needed to decline the payment and contacted Mr W in a call or via its in-app chat. Either way, if Tide had asked Mr W proportionate questions to find out more about the circumstances, I think it's likely the scam would have been exposed. I've seen nothing to suggest Mr W had been coached to mislead Tide or that he had any mistrust in Tide itself. Instead, he thought someone from Tide was 'assisting' him to prevent fraud on J's account. He would more likely than not have been honest about that. It would have likely come out he wasn't speaking to Tide after all and that the payments were being made to an unexpected merchant. Tide would have identified a scam was taking place. And it's unlikely J would then have suffered any further losses.

Should J bear any responsibility for its loss?

I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint. Here, I think there were some factors that I consider ought to have given Mr W cause for concern and led him to have acted more carefully than he did – such that it's reasonable for J to share responsibility for the losses.

I say this because Mr W received an unexpected call from 'no caller ID'. When reporting the scam to Tide, he said he'd asked the scammer about the fact that Tide would normally send him a notification to 'verify' its contact. That didn't happen here. I appreciate Mr W may have taken the payment notifications he was receiving in-app as confirmation he was speaking to Tide. But, as I've noted before, the screens he was presented with in-app were clear as to their purpose. They were clear that he was being asked to verify payments that had been initiated to R. So if, as Mr W maintains, he thought he was 'handling' the notifications to stop payments from leaving the account, then I can't overlook that the screens contradicted this. And it seems the merchant (R) that was shown as being paid wasn't questioned.

I think it's also significant that Mr W could see the account balance reducing. Again, in his reporting call to Tide, he said he was concerned that every time he'd approved a payment, the balance went down. He'd noticed the payments didn't reflect as being returned to the account before approving the next one. He said he questioned the scammer about this being a scam. I'm satisfied that, despite the time pressure, Mr W had himself identified some of the red flags. And while he's now said the scammer had told him the money was being kept in a "fraud department" at Tide, I'm not persuaded this was a particularly plausible explanation as to why that was, such that it was reasonable for him to continue approving payments. This is especially when, again taking his testimony at face value, his 'handling' of the notifications was to stop payments from leaving the account in the first place.

I recognise Mr W genuinely thought he was speaking to someone from Tide and was led to believe J's account was at risk. I don't underestimate the stress that can be caused by these types of calls and the panic they're meant to generate in those who receive them. But by Payment 3, this was now the third payment to leave the account following the steps Mr W took in-app. As before, the payment screens were clear. And given Mr W could see his actions resulted in money being taken and that this wasn't something he was expecting, I think he could have acted more cautiously before continuing to approve more payments. So

I think he played a part in what happened and that, in the circumstances, it'd be fair to hold J equally responsible for the losses. Tide has already offered to refund 50% of payments 3 to 5. As such, I'm minded to say it should pay that refund, plus interest on that amount.

Could Tide have done anything else to recover J's money?

The disputed payments were card payments and couldn't be stopped once they'd been approved. A recovery option that would have been available to Tide would have been through the chargeback scheme. This is run by the card scheme provider to resolve payment disputes between customers and merchants – subject to the rules they set.

But, as the payments were 3DS approved, it's unlikely a chargeback would be successful on the grounds of authorisation. And as the payments were to a money transfer service (R), it's likely its services were provided as intended (albeit to the scammer, not for the benefit of J). It's again unlikely a chargeback would be successful on the grounds that the service hadn't been received. So, I don't think Tide was wrong in not taking the chargeback dispute further.

Other matters

Mr W is unhappy about the way things were handled by Tide after the matter was reported on 17 August 2024. I don't think there was a significant lack of service on Tide's part during the scam reporting call. I can see Mr W was told at the time that the matter would be raised with its Disputes Team, and that it could take seven days before an outcome.

The Disputes Team then messaged Mr W, on 19 August 2024, to ask if he'd contacted the merchant (R) about the payments and was told to come back once that had happened – which he did. It then took until 10 September 2024 before he was told that the claim had been declined. I can imagine the wait would have added to Mr W's anxiety at an already difficult time. However, it's important to note that J is the complainant and I can only make an award to J, not Mr W. As a limited company, J can't suffer 'distress'.

I can award for 'inconvenience' in some circumstances but I've not seen enough to persuade me Tide's handling of the situation warrants such an award here. The delay in responding to the chargeback claim didn't impact on its outcome. I also have to bear in mind that much of any inconvenience caused was the result of the scammers' actions.

Putting things right

I'm very sorry that Mr W (and consequently J) was the victim of a cruel scam. But, for the reasons I've given, I think ClearBank Limited should refund 50% of payments 3 to 5, plus 8% simple interest per year on that amount from the date of payments to date of settlement.

Interest is intended to compensate J for the period it was unable to use this money. If HM Revenue & Customs requires ClearBank Limited to deduct tax from any interest, ClearBank Limited should provide J with a certificate showing any tax deducted if it asks for one.

Responses to provisional decision

I invited further information from both parties. I said that, unless the new information changes my mind, my final decision would likely be along the lines set out in my provisional decision.

Tide responded to say it accepts my provisional decision. Mr W (on behalf of J) asked me to reconsider. In summary, Mr W said:

- J's willing to accept joint liability with Tide and would accept a 50% refund on that basis.

But he believes the refund should be from Payment 2, not Payment 3.

- He pointed to another ‘Ombudsman decision’, where it was found Tide should have intervened on the second high-value payment, made within minutes of the first. He said, in J’s case, the first two payments were both high-value, made within a few minutes of each other and to a new payee, which was inconsistent with how the account operated. The only comparable transaction in the previous year was a high-value payment to a building merchant which was consistent with the declared business purpose.

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’m grateful for Mr W’s response. I’ve thought carefully about everything he’s said and I know this will come as a disappointment. But I’ve reached the same conclusions as those in my provisional decision, which is set out above and forms part of this final decision.

As a reminder, there are some situations where I’d expect a firm to take proportionate steps to protect its customer from the risk of financial harm from fraud. It’s not in dispute that Tide should have done more here. I can also accept, as Mr W has pointed out, that there were arguably some factors present by Payment 2 that represented a change to how J’s account usually operated. The key consideration though is if and when the payment activity had become particularly suspicious or marked such a significant change that it was remiss of Tide not to have intervened. I’m still not persuaded that was the case before Payment 3.

In my provisional decision, I referred to an earlier card payment from J’s account of about £3,900 in May 2024. There was a relative increase in spending by Payment 2, but I don’t think there was such a jump that Tide should have suspected a *heightened* risk of fraud. In terms of spending, I’d add £5,000 (albeit a transfer) was paid out in March 2024. And there were times when more than one payment to the same payee was made on the same day. I also recognise R was a merchant J hadn’t previously paid. But I again think it’s fair to keep in mind that some changes in activity can reasonably be expected on this type of account from time to time. I’m also mindful that R was a legitimate and regulated firm.

I appreciate Mr W’s reference to another Ombudsman’s decision. It’s not something that I can comment on, other than to emphasise that each complaint is decided on its individual facts and merits. For me, in this specific case, it was a combination of factors (including the individual payment values, the extent of any change in spending, the timings and payment pattern that had developed) that I consider had become significant when compared to typical account usage, to the point that Tide should have stepped in at Payment 3 (and not before).

I’m again mindful that Mr W (and consequently J) was the victim of a cruel scam. I realise he was an innocent victim in all this and I’m sorry he went through that experience. At the same time, I don’t think it’d be fair to conclude it was a failing on Tide’s part not to have intervened earlier than Payment 3. As before, and given no new information has been provided on my findings that J should bear equal responsibility for what happened, I’m also satisfied that the refund Tide needs to pay can fairly be reduced by 50%.

Putting things right

For the reasons I’ve given, ClearBank Limited should refund 50% of payments 3 to 5, plus 8% simple interest per year on that amount from the date of payments to date of settlement.

Interest is intended to compensate J for the period it was unable to use this money. If HM

Revenue & Customs requires ClearBank Limited to deduct tax from any interest, ClearBank Limited should provide J with a certificate showing any tax deducted if it asks for one.

My final decision

My final decision is that ClearBank Limited needs to pay J in line with what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask J to accept or reject my decision before 10 December 2025.

Thomas Cardia
Ombudsman