

The complaint

Mr O complains, on behalf of a limited company G, that Tide Platform Ltd haven't refunded a disputed transaction made from G's account.

What happened

Mr O is the sole director of a limited company I'll call G.

G has an account with Tide.

On 29 October 2021 a transaction of £4,065.61 was taken from G's account. The payment was to a hotel I'll call R.

On 26 November 2021 Mr O contacted Tide and raised a dispute about the transaction. He advised Tide that he didn't recognise the payment and it was unauthorised.

Tide reviewed G's statements and noticed two previous payments to R and asked Mr O about them. Mr O didn't directly respond to the previous payments but reiterated the new payment of £4,065.81 wasn't authorised.

Tide raised a chargeback and informed Mr O that it would take 45 days before they received a response.

Tide then informed Mr O that the chargeback had been rejected by the merchant's bank, and they'd provided a copy of an invoice showing the charge of £4,065.81.

Mr O complained to Tide about their refusal to return the disputed transaction – Tide looked into Mr O's concerns, and partially upheld G's complaint. They thought their communication regarding the chargeback had been poor, but as the chargeback was rejected they wouldn't be offering to refund the money. They credited G's account with £75 in compensation for poor handling of the chargeback.

Mr O wasn't satisfied with their response so brought his complaint to our service.

One of our investigator's looked into Mr O's complaint. But they didn't think Tide had done anything wrong. They explained to Mr O that they thought he'd authorised the payment and the chargeback had been fairly declined.

Mr O didn't agree. In response he said:

- G should have been charged £3,513.61 not £4,065.81, because of a rebate he received from R. He therefore argues that £4,065.81 was an unauthorised payment.
- R didn't have the right to take a payment without his specific consent.

As Mr O didn't agree, it's been passed to me for a 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.

Generally, Tide can hold G liable for the disputed transaction if the evidence suggests that it's more likely than not that Mr O, on behalf of G, made or authorised it himself.

I'm satisfied that the payment was authenticated using the appropriate security credentials by G. But the regulations relevant to this case say that is not, on its own, enough to enable Tide to hold them liable. So, I also need to think about whether the evidence suggests that it's more likely than not that Mr O, on behalf of G, consented to the transaction being made.

Mr O's argued that he didn't specifically consent to a charge of £4,065.81. Instead he was expecting a charge of £3,513.61 after R agreed to give him a rebate for an additional night.

I've considered what Mr O said, and the Payment Service Regulations (PSR) 2017. A transaction is considered authorised if the payer has given consent to a payment being taken – which Mr O did – by providing the relevant security credentials. Even if, as Mr O claims, the charge was higher than he specifically consented to I can't say Tide should have regarded the payment as unauthorised.

I've also considered if Tide acted fairly when raising the chargeback for G. When Mr O contacted Tide he informed Tide that an unauthorised transaction had been taken from G's account.

Tide raised the chargeback for reasons of fraud, as I'd expect them to do. I've seen the evidence R provided in response to defend then chargeback, namely an invoice of £4,065.81 dated 29 October 2021. Mr O argues that he should have received an additional rebate on the £4,065.81, as agreed by R. I've looked at the invoice and I can see a rebate is included.

Tide had the option to take the case to pre-arbitration stage, but I'm afraid I don't think there's no indication Mr O had a reasonable chance of success. On contacting Tide Mr O informed them that he didn't recognise the payment, however he later explained it was a higher charge than expected. This meant the chargeback was raised for an unrecognised transaction (fraud), rather than an incorrect amount, which may have had more chance of success.

For the reasons I've outlined above, I won't be asking Tide to do anything further here.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 1 December 2023.

Jeff Burch
Ombudsman