

The complaint

Mr G complains that TIDE PLATFORM LTD, trading as Tide, won't refund the money he lost when he was the victim of a scam.

What happened

In October 2022, Mr G received an email which appeared to be from his employer and asked him to help purchase some gifts for other members of staff. The email asked Mr G to message his employer on a mobile number it gave, which he did. Mr G was then asked to purchase a number of gift cards and send photos of the numbers from the back of the gift cards. And Mr G then made a number of payments from his Tide account to purchase gift cards, which I've set out below:

Date	Details	Amount
4 October 2022	1 st retailer	£100
4 October 2022	1 st retailer	£100
4 October 2022	1 st retailer	£100
4 October 2022	1 st retailer	£200
4 October 2022	2 nd retailer	£200
4 October 2022	3 rd retailer	£100
4 October 2022	4 th retailer	£200

Unfortunately, we now know the email was from a scammer.

Mr G reported the scam to Tide and asked it to refund the money he had lost. Tide investigated but said he had authorised the payments and received the gift cards he had paid for. So it said it couldn't dispute the payments for him and didn't agree to refund the money he had lost. Mr G wasn't satisfied with Tide's response, so referred a complaint to our service.

I sent Mr G and Tide a provisional decision on 19 October 2023, setting out why I wasn't intending to uphold this complaint. An extract from my provisional decision is set out below:

"In broad terms, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account. And a customer will then be responsible for those transactions that they have authorised."

It's not in dispute here that Mr G authorised the payments. He accepts he made them himself to purchase the gift cards, as instructed to by the scammers. So while I recognise that he didn't intend the money to ultimately go to scammers, the starting position in law is that Tide was obliged to follow his instructions and process the payments. So Mr G isn't automatically entitled to a refund.

The regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of

financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. So I've also thought about whether Tide did enough to try to keep Mr G's account safe.

But none of the payments individually were for what I'd consider to be a particularly large amount, or for amounts that were significantly larger than other payments made out of Mr G's account in the previous months. The payments were also all made at well-known high street retailers, which wouldn't have looked unusual or suspicious to Tide.

And while the payments were all made within a very short time of each other, I don't think a suspicious pattern in the payments should have been obvious to Tide at any point or that Tide acted unreasonably in not identifying a suspicious pattern. The first four payments were all made to the same retailer but, because of the relatively low amounts of them, I don't think four payments was enough to expect Tide to identify a suspicious pattern. And the last three payments were all made to different retailers, which I think will have made any connection or pattern more difficult to identify.

So I think it's reasonable that Tide didn't identify that Mr G could be at risk of financial harm as a result of the payments, and didn't intervene to ask any further questions before allowing them all to go through.

I've also considered whether Tide did enough to try to recover the money Mr G lost. Once they have been notified of a scam, we expect businesses to take reasonable steps to try to recover any money their customers have lost – including making use of any available chargeback scheme.

A chargeback is a process by which card payments can be disputed with the merchant who took the payment – which in Mr G's case is the retailers he bought the gift cards from. But it wasn't the merchants here that scammed Mr G. The retailers didn't do anything wrong and just sold him the gift cards as he requested. So I don't think it's likely chargebacks would have been successful and so I don't think Tide has acted unreasonably in not carrying them out.

Any attempt Tide made to recover the money directly from the banks it was sent to would also likely have been unsuccessful, for the same reasons. The recovery attempt would have gone to the banks of the retailers, who hadn't done anything wrong.

And so I don't think anything we would reasonably have expected Tide to do would have recovered the money Mr G lost.

I sympathise with the position Mr G has found himself in. He has been the victim of a cruel scam and I appreciate that my decision will come as a disappointment to him. But, for the reasons I've set out above, I don't think Tide has acted unreasonably or that anything I would reasonably have expected it to do would have prevented this scam or recovered the money he lost.

So I don't currently think it would be fair to require Tide to refund the money Mr G has lost."

I said I'd consider anything further Mr G and Tide sent in following the provisional decision, provided it was received by the deadline given.

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.

Mr G didn't respond to the provisional decision, and Tide replied to say it had nothing further to add. So as neither Mr G nor Tide provided any further evidence or arguments, I still think the conclusions I set out in the provisional decision are correct, and for the same reasons.

I still think it's reasonable Tide didn't identify that Mr G could be at risk of financial harm as a result of the payments made here, and didn't intervene to ask any further questions before allowing them all to go through. And I don't think anything we would reasonably have expected Tide to do would have recovered the money Mr G lost.

So I don't think it would be fair to require Tide to refund the money Mr G has lost.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 22 December 2023.

Alan Millward
Ombudsman