

The complaint

Mr L complains that The Co-operative Bank Plc (“Co-op”) incorrectly blocked his credit card(s), amended his address and sent a card and statement to the wrong address.

What happened

In or around March 2022, Mr L attempted to complete a transaction online using his Co-op credit card. Despite repeated attempts, Mr L wasn’t able to complete the transaction.

The following day, Mr L contacted Co-op to explain the problems he’d experienced. Co-op confirmed there’d been multiple transactions, the last of which had been declined. They suggested he return to them if any refund due couldn’t be obtained from the retailer.

A few days later, Mr L called Co-op again as he wasn’t able to use his credit card and the card number appearing on Co-op’s online banking service appeared to be different to the one on his card. Co-op said his card had been reported as lost by a third party, so they’d blocked it. Mr L was concerned as he still had his card. Co-op assured him nothing untoward had happened and arranged to send him a replacement card.

Mr L rang Co-op again around 11 days later as he hadn’t received his new card. Co-op said his address had been changed when his original card had been reported as lost and his new card had been sent to the new address. Co-op agreed to cancel the new card and send a further card to the correct address. They also said a statement had been sent to the new address, so they’d send a duplicate to his current address.

Unhappy with what had happened, Mr L complained to Co-op. They said his complaint would be upheld and he would receive a letter confirming that. But the letter he received only said that his complaint had been resolved without any detail.

Mr L called Co-op again as the card sent to the wrong address still appeared on Co-op’s online banking service. Co-op discovered they’d cancelled a different card rather than the one issued incorrectly. Co-op agreed to arrange for Mr L’s original complaint to be further investigated. They also registered a second complaint about the cancellation of Mr L’s replacement card. As a resolution for the second complaint, Co-op blocked and reissued Mr L’s card and offered him compensation of £50, which he accepted.

Unhappy with how Co-op had considered his original complaint, Mr L referred matters to this service. He wanted them to explain what had happened and why they’d accepted notifications from a third party. He wanted Co-op to explain why they hadn’t handled his complaint(s) properly and to provide an apology for his experience.

Following exchanges between our investigator and Co-op, they agreed they’d made mistakes. They offered to compensate Mr L for the distress and inconvenience caused with a payment of £350, should he accept.

Our investigator thought Co-op’s offer of £350 was fair and reasonable in all the circumstances here. But Mr L didn’t agree. He wanted his complaint to be passed to an ombudsman to consider. Mr L said Co-op:

- wrongly accepted third part notification that his card was lost; and
- wrongly accepted third party notification of a change of address; and

- wrongly issued a replacement card to a third party address; and
- closed his complaint without investigation; and
- provided inaccurate information to him; and
- had fundamental weakness in their procedures.

Mr L thought Co-op should be held accountable and compensation should be in excess of £1,000.

Mr L's complaint has been passed to me to consider further.

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.

At the outset, I believe it's important to explain the role of this service when considering Mr L's complaint here. It isn't our role to supervise, regulate or impose fines on any business. It's also not our role to ask a business to alter their policies and procedures or impose improvements on the level of service offered to their customers. These aspects fall firmly within the remit of the regulator – in this case, the Financial Conduct Authority ("FCA").

As an Alternative Dispute Resolution Service ("ADR"), our role is to provide mediation in the event of a dispute. In doing so, we examine and decide whether a business has been fair and reasonable in the manner in which those policies and procedures are applied in the individual circumstances of Mr L's experience with them. When considering his complaint, I've also considered any relevant rules and regulations set down by the FCA in their handbook – where they apply.

I don't propose to expand further on what happened to cause the problems Mr L experienced here. It appears both parties are now familiar with what ultimately went wrong. Co-op have accepted they made mistakes, due to human error, and the resultant errors made within their own internal systems. They've undertaken to provide the necessary feedback to individuals involved to ensure similar problems don't recur.

So, my decision here is based upon whether I think the outcome proposed by Co-op feels fair and reasonable, given all the circumstances. In order to do that, I need to consider the impact Co-op's mistakes had upon Mr L. From the information and evidence available, Mr L needed to make repeated approaches to Co-op in an attempt to resolve matters and was ultimately without access to his credit card(s) for a period of time. However, despite what happened, I haven't seen anything to suggest Mr L was disadvantaged financially. So, any award needs to reflect that.

Compensation is a personal thing. What is seen as reasonable by one party may not be considered so by another. Mr L did experience some inconvenience. But I think the amount Co-op have offered here feels fair in all the circumstances. I appreciate that Mr L doesn't agree. But as I've already said, it isn't the role of this service to make awards in order to penalise Co-op for their mistakes. Any award is considered based upon the impact their mistakes had upon Mr L. And I think Co-op's offer does that here.

I accept that Mr L's feels Co-op didn't handle his complaint(s) well. The rules that apply to what we can consider are laid down in the Financial Conduct Authority ("FCA") Handbook - specifically the DISP rules. This service is only able to consider complaints that relate to the provision of financial services and products regulated by the FCA. As "complaint handling" isn't a regulated financial products or service, I can't reflect any failings (perceived or real) in my decision.

Although I realise Mr L will be disappointed, I won't be asking Co-op to increase their compensation offer further for the reasons I've explained. But I will uphold his complaint.

My final decision

For the reasons set out above, I uphold Mr L's complaint.

I require The Co-operative Bank Plc to pay compensation to Mr L of £350.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 16 February 2023.

Dave Morgan
Ombudsman