

The complaint

Mr B complains that The Co-operative Bank p.l.c. (“Co-op”) gave him incorrect information about the terms of his account.

What happened

Mr B says that when he opened his bank account with the Co-op he was told he’d have to credit a minimum amount each month. He said that he has sometimes struggled to achieve this but has recently been informed that minimum monthly credits have never been a requirement of any Co-op accounts.

The Co-op originally said, both in-branch and by letter, that there had been no minimum credit deposit required since Mr B opened his account in 2008. However, it subsequently explained that it had made a mistake, and, in fact, there was a minimum monthly credit required into Mr B’s account until July 2016 when this condition was dropped. The Co-op offered Mr B £100 for this communication error.

Our investigator considered that the Co-op’s offer was fair in the circumstances of the complaint.

Mr B responded to say, in summary, that he felt the compensation offered was inadequate. He said he was not aware of ever receiving notification of the change in terms and conditions with regard to the minimum monthly payments. He said he set up two accounts with another bank in 2014 purely to fulfil his obligations for minimum credits which allowed him to focus on matters of probate following the passing of his father in 2018. Mr B said these two accounts were only closed following advice given in branch in August 2022 that minimum monthly payments were not required.

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.

Following Mr B’s initial complaint to the Co-op, the investigation has clarified that:

- Mr B was correct when he said he believed that a minimum monthly credit was a condition of his account when it was opened in 2008;
- The Co-op was correct when it told Mr B in 2022 that a minimum monthly credit was not a condition of the account;
- The Co-op was not correct when it told Mr B, twice, that no minimum monthly credit had ever been a condition of the account;

- The condition was in place in 2008, but was dropped in 2016;

I have no reason to doubt Mr B when he says he doesn't think he was made aware of the change in that specific condition in 2016. So, I have considered what, if anything, Mr B would have done differently had he known about the change at the time.

Given Mr B closed the two accounts at the other bank when he was told there was no longer a monthly credit requirement, I find it likely he would have done the same in 2016. However, based on what Mr B has said about how he used the accounts, I can't see there was any financial detriment by not doing so earlier.

I do understand, though, that adhering to conditions that no longer applied, especially following the demise of his father in 2018 and the loss of his business during the covid years, caused Mr B unnecessary stress when experiencing financial pressure. For that, and the incorrect information he was initially given, I find it fair that Mr B should be compensated by the Co-op, and that its offer of £100 is in line with recommendations this service would usually make in similar circumstances.

My final decision

My decision is that I find the offer from The Co-Operative Bank p.l.c. to be fair and reasonable. The Co-Operative Bank p.l.c. should pay Mr B £100, as it has agreed to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 25 October 2023.

Amanda Williams
Ombudsman