

## **The complaint**

Mr B complains that The Co-operative Bank Plc (Co-op) refused his claim for a bonus under the Refer a Friend scheme.

## **What happened**

In November 2022 Mr B applied to Co-op for a bonus under its Refer a Friend scheme. Co-op decided he had a valid claim and paid him £125 under the scheme. Mr B switched his account out of Co-op in December of the same year. He opened a new account with Co-op in February 2023 and again applied for a bonus under the Refer a Friend scheme. Co-op refused. It said he'd already benefited from the offer and the terms and conditions of the scheme said he could only receive one such bonus payment.

Mr B complained. He acknowledged he'd received a payment in November 2022 but that offer had ended and Co-op had then opened a new incentive in February 2023. He said he'd thoroughly read the terms and conditions and he couldn't see where its customers were only entitled to one payment in total, including previous Refer a Friend offers. Co-op maintained its decision and said it had acted in line with the terms and conditions of the scheme.

Our investigator didn't uphold the complaint. They said the Refer a Friend scheme had been operating since November 2020 and the February 2023 offer wasn't a new incentive but a relaunch of the same scheme with some amendments.

They also noted Co-op had referred to part of the terms and conditions that said it could withhold payments if they had reasonable grounds to suspect the applicant was seeking to profit from the offer.

Mr B didn't agree with the investigator's view and asked for his complaint to be referred to an Ombudsman for a decision. I came to a different conclusion to our investigator, so I sent a provisional decision to Mr B and Co-op to give them an opportunity to comment. Both parties said they had nothing further to add, so my findings and my decision below are substantially the same as set out in my provisional 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.

The terms and conditions of the Refer a Friend scheme say the following:

*"The Recommended Friend is entitled to only one payment even if they switch more than one account to us or if more than one Recommender refers them."*

Co-op has said the Refer a Friend scheme has been operating since February 2020 and the terms and conditions have been amended on several occasions since then. It said the scheme was relaunched in February 2023 and this was not a new offer or a new scheme. It also doesn't consider Mr B to be a new customer just because of the change of account

details as his profile is linked to the closed account.

Mr B's argument is that the terms and conditions don't clearly say that the scheme is for new customers who have not been referred before or who are not returning customers. He doesn't deny that he received a bonus in November 2022. But he then closed his account and the offer ended in December 2022. He says he was not then a customer of Co-op when the scheme was relaunched in February 2023.

As Mr B has pointed out, Co-op has a responsibility to provide information to its consumers that is clear, fair and not misleading. He doesn't think the terms and conditions of the Refer a Friend scheme are clear. And, on balance, I agree. Co-op has said the scheme is one scheme that's been re-launched and amended over the last three years. It seems its intention is to restrict a consumer to one payment throughout the course of the whole scheme.

But I don't think that is set out clearly in the terms and conditions. They simply say the Recommended Friend is only entitled to one payment. They don't say over what time period and there's no reference to previous terms and conditions or relaunches of the same scheme. In my view, the terms are ambiguous and could be interpreted either way. And, as such, I don't think they meet the test of being clear, fair and not misleading.

Co-op has also referred to another part of the terms and conditions, which say:

*"We reserve the right to withhold any payment (or to reverse any payment already made) where we have reasonable grounds for suspecting you have sought to materially abuse or profiteer from the offer. For example, this may arise if we have grounds for believing that you have sought to engage in a marketing campaign to solicit applications from individuals who are not from within your family or immediate circle of friends."*

Mr B noted that the scheme is designed to encourage its customers to profit from the scheme – it offers a bonus of £125 after all. The terms and conditions refer to 'profiteering' from the scheme, or 'materially abusing' it, which are more serious statements. Mr B says he hasn't sought to materially abuse or profiteer from the offer and hasn't acted in the way described in the example given in the terms and conditions.

For its part, Co-op hasn't provided any evidence to suggest that Mr B has sought to materially abuse or profiteer from the offer either. And so, in the absence of any evidence to show Mr B has profiteered or materially abused the scheme, I don't think Co-op can rely on this term to refuse Mr B's claim.

### **Putting things right**

In light of the above, I don't think Co-op has acted fairly or reasonably in refusing Mr B's claim for a bonus under the Refer a Friend scheme. To put things right, I think Co-op should pay Mr B the £125 he claimed under the Refer a Friend scheme.

While Mr B said the person who recommended him for the bonus also lost out, they are not party to this complaint and so I cannot make a decision on that matter.

### **My final decision**

For the reasons given above, my final decision is that The Co-operative Bank Plc should pay Mr B £125 under the Refer a Friend scheme.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or

reject my decision before 19 July 2023.

Richard Walker  
**Ombudsman**