

The complaint

Mr O is unhappy with the Co-operative Bank Plc's handling of his request for information about the interest rates that applied to certain aspects of his credit card and his current account.

What happened

Mr O said he asked Co-op to confirm the interest rate that would apply to its credit card if he didn't pay it off, and for comparison he also wanted to know the interest rate that would apply if he paid off the full credit card debt by using his bank account overdraft instead. Co-op wasn't willing to provide these figures as it considered this to be advice. When Mr O complained Co-op said it sent him a complaint response letter which he didn't receive. When Mr O contacted Co-op to ask for another copy of the letter or let him know what it said in the letter Co-op said it couldn't do that either. Unhappy with this Mr O brought his complaint to this service.

In my recent provisional decision, I said:

"I think perhaps Co-op slightly over complicated a relatively simple situation here. Most importantly I've listened to the calls Mr O made to Co-op. I will start by saying I understand Mr O's frustration with how he felt Co-op dealt with his enquiry.

I think Mr O was very clear about what he wanted to know. The process of finding out what the interest rates are for leaving some outstanding expenditure on the credit card or using the agreed overdraft facility and knowing what the rate would be for that shouldn't be particularly difficult. In fairness though Mr O suggests that is all he wanted I think he did ask for a little more than that. He said he was going to probably be a "few hundred short" of clearing the whole credit card balance and wanted to find out where he would be charged less interest. He wanted to know if he should leave the debt on the credit card or use the overdraft facility to clear the credit card and run the overdraft until he could clear the final amount.

I'm not sure why there was such a problem with Mr O's request. But I noted the banks call handler mentioned late payment charges if he didn't pay the minimum amount on his credit card. So, Mr O went back over the point that he was going to pay the credit card he just wanted to know if that should be in full or not. The call handler was busy typing away asking questions of others including her supervisor during the call. She also suggested at one stage that Mr O might be able to negotiate a lower overdraft interest rate but that didn't seem to materialise any further during the call. Unfortunately, she ended up telling Mr O that Co-op considered his request to be asking for advice. The handler told Mr O the bank wasn't able to help him with this any further.

Throughout it seemed to me to be a bit of an odd telephone call. Mr O was more than willing from the start to provide all of his personal details so security could be checked but there didn't seem to me to be any kind of script or protocol followed by Co-op. I'm not sure that the bank call handler was certain of what Mr O was asking for. I don't think that was Mr O's fault. I think that is down to Co-op.

Despite the length of the call and the delay between Mr O asking something and getting an answer I think Mr O was reasonable in the way he asked for the information. I think the conversation might have been frustrating for him from the start. I can see why after such a period of time on the phone and not getting answers he decided to complain.

I don't think Co-op acted reasonably. Mr O was asking it to clarify the best option between two products he has with it. He's not asking for advice in the normal sense of which product should he buy. He already has the products and just wanted to take the most sensible option in terms of avoiding running up a larger interest bill than necessary. I don't think his request is asking for advice in the way the bank has termed it. I'm not sure why Mr O wasn't put through to someone who could help him directly rather than continuing to relay information through the call handler. I think the call handler might have been confused and I suspect that whatever she asked online of other colleagues might well have added to the confusion.

I think if Co-op truly felt Mr O's request for information was something he needed to take advice on then it could have put him through to a specialist adviser.

I could sense Mr O's exasperation throughout the later calls with Co-op. And I think Co-op never really got to grips with his request. I think Mr O found the whole process far more long winded and difficult than it should have been. The conversation really shouldn't have lasted longer than a few minutes. But not only did it run on for a far greater period it led to a need for other calls and follow up. Co-op is responsible for this. And I don't think it can argue it treated Mr O fairly and reasonably. I think Co-op should pay Mr O £100 in compensation for the distress and inconvenience caused to him in this case.

Complaint handling

Either way it's clear that Mr O did end up getting a little upset with Co-op. I can sense the anguish in Mr O's voice when he calls about his complaint to be given the impression he has been sent a letter, his complaint has been dealt with and resolved and there's nothing anyone at the bank can now say or do about it. You can sense that Mr O finds the whole situation frankly bizarre, and I can understand why. He's again very clear at this point that nobody has resolved anything, and his complaint shouldn't have been closed.

In the end it seems that the call handler in this instance had made a genuine mistake and given Mr O the indication Co-op had sent him a letter that he hadn't received. So, in fairness that handler couldn't have explained what was in the letter as the letter didn't exist (2 August letter), but Mr O didn't know that at the time. This service can't make a finding on issues of complaint handling as it isn't a regulated activity. So, I don't know what other action has occurred on this point but if Mr O hasn't had an explanation or an answer then I'd hope Co-op would update him to try and conclude the matter."

Responses to my provisional decision

Mr O didn't respond.

Co-op sent a lengthy response, but I'll draw out only the important main points linked to the complaint from the response here:

Mr O didn't need any further security checking as he had self-authenticated on the automated service.

Co-op dispute that Mr O was clear in his request and said his own words on the call recording were as follows "Am I right in understanding it is better that I be in the red, in other words owing my Coop Bank Credit Card rather than make use of my Coop Bank Current

Account Overdraft.” And “which is better if I cannot pay all the money by Mid-August. Is it better I keep the debt on my credit card account or on my Current Account.”

Co-op point out that Mr O said he'd checked the credit card statement and overdraft annual interest rates stating, *“If I was looking at my statement correctly your annual interest rate is 15.8% when I look up the Current Account overdraft 35.9%.”* In response the adviser says if it's on the website this is definitely correct.

Co-op said what more could the adviser be expected to provide. Mr O had researched it before calling.

Co-op maintain Mr O was seeking financial advice and the bank offers a non-advisory service.

Co-op said it isn't to know the duration of the outstanding balance so wouldn't know how best to apportion the debt. Co-op said financial decisions like these are to be made by the customer. And if it had given an answer that had turned out wrong Mr O could complain.

Mr O could have used the online tool Co-op provides such as the overdraft calculator.

Co-op said Mr O was notified after approximately 13 minutes that Co-op couldn't offer more help and it considered the question to be advice.

There's no specialist adviser that Mr O could be transferred to.

Co-op said the call on 28 July 2023 was over 40 minutes so it would be happy to credit Mr O with £30 to cover the cost of the telephone call.

Complaint handling

Co-op said it made Mr O aware of the outcome of his complaint towards the end of the call, after he'd raised his complaint. Co-op doesn't understand why Mr O called back to ask what the outcome of his complaint was.

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.

I appreciate some of the clarification provided by Co-op. But I think Mr O was clear about what he wanted to know, and I think Co-op referring to the words and sentences he used above only helps to highlight that further. I accepted in my provisional decision that Mr O did ask for more than just the interest rates, but it wasn't an unreasonable request from him. Co-op said it didn't know what more it could've been expected to do. I don't think that's helpful. Co-op could've answered Mr O's question.

Co-op mention the online tools but didn't offer to help Mr O with these during the call. It has now said it couldn't put him through to a specialist adviser either.

In terms of the duration Mr O would have held the outstanding debt for I think he was clear about his intention to pay it off within a short timescale. He even explained where the extra money to pay it off was coming from. I don't think he was asking Co-op to take any great risk by helping make sure that he didn't put himself at a disadvantage.

Co-op wasn't making a recommendation. Mr O wasn't buying anything. But instead, Co-op built its own debate about advice and allowed this to get in the way of providing customer service. I don't think that's reasonable. Nothing in the response from Co-op suggests to me I need to change my provisional decision.

I'm grateful to Co-op for now making an offer of £30 but it hasn't given me enough evidence to move away from the £100 I put forward in my provisional decision.

I'm slightly surprised that Co-op has responded on the complaint handling point. I confirmed in the provisional decision I can't make a finding on this. But I did conclude by saying I'd hope Co-op could update Mr O. For Co-op to now say it doesn't know why he contacted it as it had already resolved the complaint seems an odd thing for Co-op to say when that is clearly not how it's customer Mr O sees it.

My provisional decision will become my final decision.

Putting things right

Pay £100 compensation for distress and inconvenience.

My final decision

I uphold this complaint.

I require Co-operative Bank Plc to:

- Pay £100 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 11 March 2024.

John Quinlan
Ombudsman