

The complaint

Mr H complains about the way in which The Co-operative Bank Plc dealt with an error on his credit card account.

What happened

Mr H has a current account and a credit card account with the Co-op Bank. He also has credit cards with at least two other banks.

In January 2024 Mr H says he intended to make a balance transfer of over £10,000 from his credit card account with bank S to his credit card account with bank A. That is, the balance he owed to S would decrease and the amount he owed to A would increase by the same amount (plus bank A's 3% fee). His credit card statement from bank A shows that the transfer was completed on 17 January and that it would be interest-free until April 2025.

However, instead of making a balance transfer from bank S to bank A, Mr H made the transfer from his credit card account with Co-op Bank. The result was that his credit card account with Co-op Bank was nearly £10,000 in credit.

Mr H contacted Co-op Bank to explain what had happened and to arrange for the credit balance to be transferred to his current account. He called the bank on both 18 and 19 January and was reassured on both occasions that the transfer would be completed the same day. It was not.

Mr H decided therefore to visit a branch to try to resolve matters. That too was unsuccessful, and Mr H has expressed his disappointment about how he was treated. He decided instead to visit a different branch, but it was closed. When he returned the next working day (Monday 22 January) he was able to resolve things and the funds were transferred to his current account.

Mr H later found out that the bank had responded to his initial complaint on 20 January, but that it had done so through a secure message (rather than by letter or email, for example), so he had not initially seen its response. The bank did not accept that it had done anything wrong and noted that the usual way of resolving Mr H's issue would be to return funds to the sending bank. Transferring funds to a current account would, in effect, provide the customer with a cash advance without the usual fees and interest being applied.

Mr H referred the matter to this service. Co-op Bank offered to refund his travel costs of £18 and to pay him a further £75 in recognition of the inconvenience to which he had been put. Our investigator thought that offer was fair and did not recommend that the bank do any more. Mr H did not agree and asked that an ombudsman review the case.

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.

As Mr H acknowledged in his telephone calls to the bank, the initial error in this case was his own. He intended to make a balance transfer between Bank S and Bank A, not between Co-op Bank and Bank A. His complaint is about the way in which the bank set about correcting that error.

I do agree with Mr H that Co-op Bank's approach here was confusing and, at times, unhelpful. He was told twice that funds would be transferred to his current account the same day; but the bank's written response said that the transfer could not be made – and explained why that was. He was then told that he would need to provide information about his account with Bank S, but that proved to be unnecessary.

I accept therefore that Mr H was put to some additional inconvenience and expense as a result of the bank's response. I agree with the investigator however that the offer of £75 and £18 in travel expenses is fair and reasonable in the circumstances. I do not propose to require Co-op Bank to do any more and simply leave it to Mr H to decide whether, on reflection, he is prepared to accept that offer.

My final decision

For these reasons, my final decision is that I do not uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 May 2024.

Mike Ingram

Ombudsman