

The complaint

Mr H complains about delays he encountered, and the service he received after he applied to open an account with The Co-operative Bank Plc (Co-op).

What happened

In mid-November 2023, Mr H applied to open a new bank account with Co-op, mainly due to a switching incentive that was offered at the time. Due to high volumes of applications that the Co-op were receiving, they didn't process Mr H's application within their system, and it expired a month later. Soon after, Mr H complained to Co-op.

Co-op made attempts to resolve the complaint by telephone and their records show they were successful on their second attempt, apologising and offering to run the application again. Mr H declined as he was concerned about the second credit reference agency (CRA) search this would necessitate.

As Co-op had marked the complaint record as complete, Mr H received a letter to that effect which he was unhappy with, and contacted Co-op accordingly logging another complaint, but giving the go ahead for the account application to be re-run – including a CRA search. The account was successfully opened, and Co-op investigated that complaint issuing a final response in which they apologised for the account opening delay and the erroneously closed first complaint. They also advised they would remove one of the CRA searches. They concluded by offering £60 by way of apology but quickly amended this to £75.

Remaining unhappy, Mr H brought the complaint to our service which an investigator looked into, liaising with Co-op as necessary. Co-op then revised their offer to resolve the complaint, via our service, increasing the previous amount of £75 to £125 for distress and inconvenience. Our investigator said they regarded that as a fair outcome.

Mr H disagreed and also brought up details of Co-op's recent account switching offers which he read offered as much as £400 in total between the new account holder, and an existing Co-op account holder acting as an introducer, subject to various criteria. He added that his wife would be the introducer, being that she was an existing account holder with Co-op. He also mentioned he had enquired at a Co-op branch who confirmed the information he'd found.

Via our service, Co-op said their £125 offered for distress and inconvenience remained the same, however they were prepared to credit Mr H with a £125 account switching incentive, and an additional £125 would be paid to the introducer. They addressed Mr H's comments about the £400 switching incentive total he'd found but clarified that was part of a different offer, and that these two payments of £125 were the only ones available at the time Mr H applied.

Mr H responded to our investigator saying that the payment for distress and inconvenience should be increased from £125 to £250 considering the complaint had been outstanding for four months. Our investigator disagreed saying that they thought the £125 offer was fair. Consequently, Mr H requested an ombudsman review his complaint.

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 have looked at the information Co-op has supplied to see if it has acted within its terms and conditions and to see if it has treated Mr H fairly.

It is always regrettable when we see a relatively simple process like applying for a bank account result in a much longer protracted experience and I sympathise with Mr H for the frustration he experienced. It's our role to identify if a business has made a mistake and if so, look at the impact this has had on the consumer.

If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach.

What's not in question is that errors were made; specifically, the delay in the account opening, that Mr H had to make so much contact with Co-op, and the communication around the first complaint that Mr H logged with Co-op. I'm satisfied that within Co-op's apologies and the actions they took to expedite the account opening, they treated him fairly. And I'm glad the account was opened successfully when Mr H made contact with Co-op.

In recent correspondence to this service, Mr H says this matter has been ongoing for four months and unresolved and I agree with that in terms of the complaint itself. What I do want to point out though is that the original request to open an account with the Co-op was fulfilled in early January 2024, around seven weeks after application. Although the application took too long, this was the original request. The reason that the complaint remains unresolved is a dispute over compensation. I do acknowledge the query Mr H raised over switching payments but that's now been cleared up. In terms of the switching payments, Co-op has offered Mr H a £125 switching incentive payment and also offered his wife a £125 referral incentive payment - Mrs H needs to contact Co-op if she wishes to obtain this.

Regarding the compensation offer, we're all inconvenienced at times in our day-to-day lives – and a certain level of frustration and minor annoyance is unwelcome but to be expected. It's the impact of the errors made over and above that which we consider to determine if an award of compensation is merited, and if so, how much. Having considered this I find that Co-op's offer of compensation is fair and reasonable in the circumstances, considering the account itself was opened in early January 2024, and I've not seen any evidence that Mr H has suffered financially.

Looking at correspondence from Mr H, I know he will be disappointed with my decision but it's vital that I look at compensation through the lenses of fairness and reasonability.

My final decision

For the reasons I have given it is my final decision that the complaint is upheld. I require The Co-operative Bank Plc to pay Mr H compensation of £125 for the distress and inconvenience he suffered, along with a £125 switching incentive payment.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 May 2024.

Chris Blamires
Ombudsman