

The complaint

Mrs B complains that The Co-operative Bank Plc (“Co-op”) incorrectly recorded her as being deceased. This resulted in her accounts being frozen, transactions being declined and direct debits and standing orders being cancelled. She is also unhappy at the service she received from Co-op in trying to sort this issue out.

What happened

On 26 May 2023 Mrs B’s accounts were frozen after Co-op incorrectly recorded her as deceased when it was informed she’d passed away by a solicitor, when it was in fact a neighbour with the same postcode.

Mrs B called Co-op about this on 27 May and was promised a call back, but this didn’t happen. Being a bank holiday weekend Mrs B was without access to her accounts and wasn’t able to do anything until she called again on 30 May.

Mrs B had a number of calls with Co-op on 30 May in which Co-op tried to resolve the matter and Mrs B raised a complaint.

During the calls Co-op confirmed all direct debits and standing ordered had been reinstated. Co-op made a call to a professional institution Mrs B was a member of to confirm the registration was still in place and payments up to date and confirmed with Mrs B it was and advised that she’d have to reset up the direct debit and one continuing card payment needed re-setting once Mrs B’s new cards were received.

Co-op ordered Mrs B new debit cards and pin numbers but wasn’t able to have them couriered to her, so asked if it could transfer money to a friend or family member to assist until the cards arrived. Mrs B said there was no one and refused this offer.

Co-op advised Mrs B she could access her money by going to her local branch where she’d need to answer security questions to access her funds. Mrs B said this wasn’t suitable as she was partially bed bound due to a flare up of a condition she suffers from and wasn’t able to travel even when Co-op offered to provide her with a taxi and reimburse her costs.

Mrs B’s statements show she had access to her accounts and was able to use her debit card again on 5 June.

Co-op agreed it had made a mistake in recording her as deceased and offered Mrs B £300 compensation for the distress and inconvenience caused. Co-op also provided her with a template letter to forward onto any companies she was still experiencing issues with regarding payments.

Mrs B was dissatisfied with this and brought her complaint to this service. Mrs B says she was caused considerable stress and anxiety over not being able to pay for petrol to use her car or go shopping without having to check she had enough cash and able to purchase the items she wished and has had to borrow money off a family member.

Mrs B says she had to reinstate four direct debits herself to her energy and water providers, internet, and phone plan and received a parking penalty notice (issued 28 April payable by 6 June) which she couldn't pay due to having no access to her debit card and had to pay by cheque. The cheque was returned due to it being post-dated and she now has to pay more as the debt was transferred to a debt collection agency.

Our investigator looked into Mrs B's concerns and agreed more compensation was warranted. They recommended Co-op increase the compensation to £450 and pay the £110 difference in price for the parking fine Mrs B had to pay due to not being able to use her debit card.

Co-op agreed to settle Mrs B's complaint in-line with our investigator's recommendations, but Mrs B was still unhappy. Mrs B says she's worked tirelessly over two months on trying to establish the resurrection of her accounts, direct debits, standing orders, insurances and professional registrations and that this equates to £4,000 in salary and believes this is what she is due in compensation as well as the reimbursement of additional parking penalty arising from not being able to pay her parking fine with her debit card.

Furthermore, Mrs B says this event has led to the deterioration of her health resulting in early medical retirement and her life no longer resembles what it used to be.

So, Mrs B's complaint has been progressed for a ombudsman's decision on the matter.

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 hope that Mrs B won't take it as a discourtesy that I've condensed her complaint in the way that I have. The facts are well known to both parties, so I don't see any merit in repeating them in detail here and ours being an informal dispute resolution service I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that.

My role is to look at the problems Mrs B has experienced and see if Co-op has done anything wrong or treated her unfairly. If it has, I would seek – if possible - to put Mrs B back in the position she would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

In this case there is no dispute that Co-op incorrectly recorded her as deceased resulting in direct debits and standing orders being cancelled, her account frozen and not having access to her money or use of a debit card for around a week.

My understanding is that all Mrs B's direct debits and standing orders have been reinstated – most of which were reinstated on 30 May and that besides the parking penalty notice Mrs B hasn't incurred any charges or fees or lapsed memberships due to Co-op's error. Though I do accept Mrs B might have experienced some further issues with four service providers due to the knock-on effects of Co-ops mistake that have now also been resolved.

I also understand Co-op reordered her debit cards and pin number straightaway and Mrs B was able to transact on them by 5 June.

So I consider Mrs B is now in the position she'd be in had the mistakes not happened.

So, what I now have to decide is whether the reimbursement of costs incurred (£110) as a result of not being able to pay her parking fine and £450 compensation recommended by our

investigator and agreed by Co-op is a fair and reasonable amount of compensation for the distress and suffering Mrs B endured as a result of its errors. And I think it is.

I haven't seen any evidence that Mrs B has suffered financial losses due to Co-op's error and although I appreciate Mrs B wasn't able to use her debit card to pay for items for just over a week, I understand that she was able to borrow money for the items she needed to purchase. Furthermore, I note that Co-op offered to transfer money to someone who could assist and provide her with any cash she needed or pay for a taxi for her to attend branch and get access to her money that way, but Mrs B declined both options.

I understand that neither option suited Mrs B as she didn't feel safe carrying around cash and was at the time due to a medical condition partially bed bound. But besides what Co-op offered to do I can't see what other reasonable options it had.

Mrs B doesn't think the £450 compensation offered is enough. Mrs B wants £4,000 in compensation as she believes this equates what she'd earn in salary for the time she's spent in sorting all this out. Mrs B has explained that her health has deteriorated during this period and that she has now been medically retired. I do sympathise, Mrs B has been both inconvenienced and distressed by Co-op's mistake at what has been a difficult time for her. But things don't always go smoothly and mistakes happen and our role isn't to punish or penalise the businesses we cover. And I don't think it would be fair to hold Co-op responsible for things such as Mrs B's health that are outside of its control.

I accept Co-op's mistake caused stress and anxiety for Mrs B, but overall, I think it did all it reasonably could to try and resolve matters for her. And as I can't say Mrs B's financial situation got significantly worse as a result of Co-op's error or that Mrs B has suffered any financial detriment – besides the parking penalty – I think the reimbursement of this and the £450 compensation is fair. It is in line with what we'd usually recommend and I'm not persuaded that awarding any further compensation would make a material difference to Mrs B's situation.

So, it follows I think the recommended total compensation of £450 and reimbursement of costs associated with Mrs B's parking penalty of £110 is a fair and reasonable way to settle Mrs B's complaint for the distress and inconvenience caused to her.

My final decision

For the reasons I've explained, I've decided what The Co-operative Bank Plc have agreed to do to settle Mrs B's complaint is fair and reasonable and I'm not going to ask it to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 1 July 2024.

Caroline Davies
Ombudsman