

The complaint

Miss J and Ms J complain about the actions of The Co-operative Bank Plc (Co-op) in their maintenance of children's savings accounts held with them, and how they handled a subsequent complaint. I have just referred to Ms J in this decision and I am aware of other, similar complaints raised by Ms J involving her other children.

What happened

In October 2022, Ms J queried with Co-op why she was not receiving bank account statements for an account held with them for the benefit of her children. Co-op looked into it and it was established that some years prior, Co-op changed the address from that of Ms J to that of her ex-partner, with whom she shared the child account. As a result, Ms J complained to Co-op about this, and raised concerns that some changes had been made to the accounts and, she had not been provided statements when she asked for them.

Co-op investigated the complaint and responded to Ms J, firstly apologising for the length of time it had taken them to provide a full response. Co-op advised that the address was changed in error by them when Ms J's ex-partner contacted Co-op to change their own address so they upheld this aspect. Co-op went on to give as much information as they could about the account, but did say that data protection prevented them from divulging information they held about another individual.

In their letter, Co-op gave reassurance that for some of the accounts in question, Ms J remained the registered contact, that there had been no movements within these accounts, and that they had amended the address back to that of Ms J. Co-op also explained more about how they made the error.

Co-op then gave individual information about other child accounts Ms J held, detailing the account movements that they could divulge. In terms of the statement aspect, Co-op upheld this saying they made an error in some information they gave which delayed the statement request. Ending their letter, Co-op awarded £100 in recognition of the delay and the incorrect information but did reiterate they could not answer all of Ms J's questions due to data protection.

Ms J responded to Co-op's final response letter, disputing some information but highlighting concerns about how her ex-partner was able to instruct the movements they did, without her agreement or notification.

Co-op investigated and issued a second final response letter. In it, they first said they were restricted in the detail they could provide, due to data protection, but said they would try and address all of Ms J's concerns. In terms of the movements instructed by Ms J's ex-partner, Co-op explained that the arrangement for the accounts was an 'either to sign' arrangement meaning either Ms J or her ex-partner could give instructions, with no requirement for the other party to be notified. Co-op went on to acknowledge that some years ago, Ms attended a Co-op branch and within the visit, did instruct the Co-op to apply a multi-signature (or both

to sign) arrangement to some of the accounts in question but regrettably, this was not applied to one of the accounts in error.

Co-op finished their letter by acknowledging their failings and the added anxiety, and credited Ms J with an additional £200 compensation.

Ms J did respond to Co-op's second final response letter but also brought the complaint to our service which an investigator looked into, liaising with Co-op as necessary. As this took longer than expected, our investigator wrote to Ms J and Co-op with their thoughts so far, which Co-op responded to. They reaffirmed information about the accounts, within the data protection restrictions but gave reassurance regarding some account movements. In recognition of the time taken to fully address Ms J's concerns, Co-op offered an additional £100 redress.

As a result, our investigator issued their view on the complaint in which they addressed several points. They said they were satisfied all the child accounts were set up as 'Re' accounts meaning the funds belong to the adults until they decide to give it to the children. They acknowledged Ms J's concern that movements were made despite her having control but our investigator said in view of the missing information from the other party, they could not make a fair assessment plus, it would not be fair to ask Co-op to refund anything as it's possible the funds were used for the children's benefit. Our investigator said that despite the address change being made in error, Ms J was still able to operate the accounts and other than frustration and inconvenience, they could not see other impact on Ms J or the children. Finally they passed on Co-op's reassurance that accounts still existed, despite the movements, and said the compensation paid and offered was fair.

Ms J rejected the view saying that she wanted to be reinstated as the legal owner of the accounts, despite the legitimate movements that had occurred. Our investigator responded to say this wouldn't be possible to simply add Ms J to the accounts in question and ended by saying their view had not changed. Unhappy with this outcome, Ms J requested an ombudsman review her 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 Ms J fairly.

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. I do also want to acknowledge the thoroughness of the view that our investigator issued and consequently, I see no benefit in going into detail about certain concerns, as this has been done more than competently in the view.

What's not in question is that errors were made; specifically, the changing of the address, Co-op's non-application of a multi-signature arrangement on one account, delays in responding, and erroneous information they gave about the statements. I'm pleased to see that Co-op have apologised, taken ownership, and awarded suitable compensation.

I did want to remind Ms J that this service is also bound by the data protection act meaning the information I have access to is restricted; therefore I have come to my decision with the evidence available.

Whilst I do acknowledge the error Co-op made with the address, the funds and Ms J's access is separate and despite correspondence being sent to an address she was not happy with, as stated, Ms J still had access to the accounts in question.

Furthermore, I agree with our investigator and the Co-op that there's no evidence to suggest that the account or the funds have, or will be used for anything other than the benefit of the children. I empathise with the frustration Ms J feels about the account movements that have happened, including withdrawals, but as they occurred in line with the account terms and conditions at the time, I can't find fault with Co-op.

And I know Ms J feels strongly that as a result of the complaint, Co-op should add her back to any child accounts that she isn't party to, but this has been explained why this isn't possible so it's not something I can reasonably ask Co-op to do.

As our investigator said, whilst I know Ms J would like to have control over the funds, the purpose of the account is to save for the child and this purpose is still being achieved, just not in Ms J's preferred way. Ms J may consider contact with Co-Op in future if she wishes to discuss this.

I note that Ms J has sent correspondence of some length to both this service and Co-op, and I thank her for the time she has taken, although I will say that it does not materially affect my decision.

As I move onto compensation, I would like to reiterate that I can't ask Co-op to address any financial loss as firstly, I've not seen evidence of any, and I have restricted information in terms of the movements.

Moving on to compensation, as an informal dispute resolution service, we consider awards according to what we consider to be a fair and reasonable reflection of the impact the distress and inconvenience has had upon the consumer. And so what I wanted to understand was the impact on Ms J and child, whether their offer is considered as fair, and also look at it through the lens of this service's compensation guidelines and similar cases.

In view of what has happened, I believe that Ms J has been paid appropriate compensation. This is comprised of an initial £100 (which can be split into 3 x £33.33 to represent each child), an additional £200, then the final offer of another £100 for each child, making a total of £333.33 for Ms J and the child about whom this complaint was logged.

In conclusion, acknowledging Co-op's errors and their subsequent actions, I do believe that it acted fairly and reasonably and within its terms and conditions and the treatment of Ms J was fair. Therefore, other than compensation, I cannot require it to take any further action towards her.

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 Ms J a total of £333.33 compensation, less any amounts already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J and Ms J to accept or reject my decision before 11 October 2024.

Chris Blamires

Ombudsman