

The complaint

Mr J complains The Co-operative Bank Plc (Co-op) moved funds to '*unclaimed assets*' without his consent, provided poor customer service and took too long to refund him after issuing its final response.

What happened

The circumstances that led to the complaint are well known by both parties, so I won't repeat them in detail, but in summary:

Mr J explained he found a statement for an old account with Co-op. He said he contacted Co-op who confirmed there had been a positive balance on the account of £4.37 which had been moved to its '*unclaimed assets*'. Mr J said this had been done without his knowledge or permission and asked for the money to be returned to him.

Mr J highlighted a series of customer service issues, which are in summary; sending reclaim forms to the incorrect address, addressing correspondence to an incorrect name, having to chase Co-op for updates and timescales. Mr J said after receiving a final response to his complaint he still did not receive the funds owed and his complaint was closed without it being resolved.

Mr J said Co-op provided compensation of £75, but he thinks it should pay more compensation explaining he considers this payment only covered issues up until the 19 July, when the final response letter was issued. He argued this payment did not cover the delays for the payment of the funds owed, which he finally received in August.

Co-op said it had responded to Mr J's complaint within the timescales set by the Financial Conduct Authority (FCA).

Co-op said it writes to customers when there have been no transactions on an account for 15 years before moving funds to unclaimed assets. It included a copy of this standard letter it issues in its response. It also explained any balances sent across are still owned by the customer and can be reclaimed. Co-op said it believed Mr J's account had been dormant for over 15 years. However, Co-op were unable to find a copy of any letter they may have sent to Mr J, so upheld his complaint.

Co-op apologised for addressing correspondence incorrectly, explaining they had used Mr J's middle name instead of his surname, clarifying this was because of human error.

Co-op also apologised for sending the forms to Mr J's parent's address, it explained this was because it had failed to update his address details before sending the forms out and this had been the address it had on file.

Co-op explained why Mr J had not been passed to a manager when he had request to during one call, citing its policy does not guarantee a manager is able to speak with customers.

Co-op also apologised for the length of time Mr J had had to spend on the phone and apologised for a disconnected call in July, explaining it had identified a need for further training.

Co-op offered £75 in recognition of these issues and the inconvenience caused, which Mr J accepted by signing an acceptance form in mid-July. However, Mr J explained there have been further customer service issues since and he would like compensation for this, explaining he had to chase for the funds even after Co-op's letter.

Our investigator didn't recommend upholding Mr J's complaint. They thought Co-op had done enough by compensating him £75 and paying the £4.37 plus 8% interest, which it extended to the date the payment was finally made.

Mr J rejected our investigators recommendation explaining he had to spend extra time chasing Co-op.

As Mr J has rejected our investigators recommendation, his complaint has been passed to me to make a final decision.

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 how strongly Mr J feels about his complaint. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

Having read through the evidence and submissions by both parties, I can see agreement was reached regarding compensation up until 19 July 2024, with Mr J signing an acceptance form confirming the payment of £75 at that time was in full and final settlement of his complaint. It appears delay which occurred after this date caused Mr J to reopen his entire complaint with Co-op and refer to our service.

Dealing with the issues prior to 19 July first. The Dormant Bank and Building Society Account Act 2008 enables funds held in dormant accounts to be transferred to a central reclaim fund. I can see Co-op has explained why the funds were transferred from Mr J's account in its final response letter, which it was legally entitled to do under the scheme. Therefore, I don't uphold this part of Mr J's complaint, that he did not authorise it, as this appears to have been the usual process for Co-op. Co-op were able to trace and agree funds should be returned, which is what I would expect.

As I have explained above, Co-op highlighted what it did get wrong. Where it could, it explained why and apologised for this and ultimately upheld the rest of Mr J's complaint regarding customer service. As Co-op has accepted this, I therefore consider the issue left for me to determine is whether the compensation paid was sufficient in the circumstances.

Before I set out my decision, I think it will be helpful to outline our service's approach to compensation and the circumstances in which we ask businesses to award compensation.

Our role isn't to punish or regulate businesses, instead where our service finds a business has done something wrong, we aim, as far as possible, to put the consumer back in the position they would have been in had the error not occurred. So, we focus on the impact the error had on consumers. In this complaint, our service can award for financial loss and distress and inconvenience.

Dealing with financial loss first, I am satisfied Co-op has paid back the funds it owed Mr J plus a fair rate of interest at 8%, which is in line with what our service would expect. I can also see it extended this interest payment until the date it finally paid Mr J the outstanding balance. I am therefore satisfied there isn't any outstanding financial loss to Mr J.

Now turning to distress and inconvenience. Due to the sum involved here, I do not think I could find there has been a significant impact on Mr J caused by distress of not having access to these funds. Mr J clearly had not used this account for some time, the sums

involved were not large and so I think this substantially limits the distressing impact this would have reasonably had on Mr J from a financial perspective.

Dealing with inconvenience, having read the file, I do accept Co-op has caused Mr J some inconvenience. But I also accept Co-op dealt with Mr J's complaint within the agreed FCA timeframe. Again, I am mindful of what can be considered as a reasonable overall impact here, but I do consider there is certainly some inconvenience which ought not to have occurred due to the poor customer service explained.

However, I think on balance, these issues are relatively small administrative errors which caused some delay and effort to sort out. I can also see Mr J agreed the compensation for the main issue here was sufficient before the payment delay.

Having weighed all these elements up, I think that the payment made was fair and reasonable for the distress and inconvenience caused.

Now moving on to the delays after 19 July, I appreciate Mr J believes he is entitled to further compensation because of the further delays. I must consider the compensation framework in which our service operates. I can see Mr J had to chase Co-op for the payment which was finally paid in August 2024. This would appear to be a small inconvenience caused by a short delay.

Having done so, whilst I accept there were further delays here, I broadly agree with our investigator's recommendation. Having considered the complaint in its entirety, I am mindful of the impact I can reasonably attribute to the issues. Essentially, it was a small sum of money owed from a dormant account, which Mr J was paid in a few months.

I have considered carefully and appreciate the inconvenience Mr J has cited. Whilst I agree compensation was reasonable for the poor service Co-op provided Mr J was, I do not think the total compensation of £75 is an unreasonable award for all the circumstances and the inconvenience I have seen. I think this is in line with what I would expect and within the general framework our service uses when assessing compensation amounts.

As Co-op have already paid the funds back plus interest and paid the compensation, I do not require it to do anything else. I therefore do not uphold this complaint.

My final decision

For the reasons I have given, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 30 December 2024.

Gareth Jones
Ombudsman