

The complaint

Mr S complains that The Co-operative Bank Plc (“CB”) isn’t allocating his payment to his credit card account quickly enough resulting in him paying more interest.

What happened

Mr S holds a credit card with CB. He’s unhappy that payments made from his current account aren’t being allocated to his credit card account quickly enough.

Mr S says that nearly all his payments have been delayed. He believes that the delay is a deliberate tactic by CB so that it can apply additional interest to his account. He provided some examples of delayed payments. For instance, he says that a payment made on 24 August 2024 was only allocated on 27 August 2024.

Mr S complained to CB. CB didn’t uphold the complaint. In its final response, CB said that when it received payments to a credit card it credited these to the account immediately. It said that if these payments were being sent slower than usual, Mr S would need to contact his current account provider to query this.

Mr S remained unhappy and brought his complaint to this service.

Our investigator didn’t uphold the complaint. They said that most payments had been credited to the account the same day or the next working day and there was nothing to suggest that CB had acted unreasonably.

Mr S didn’t agree. He said that in its final response, CB had used the word “immediately” to describe when the payment would be credited. Mr S said he believed that this meant instantly, i.e., on the same day. Mr S said he was unhappy that he’d been charged interest over the bank holiday weekend. He said it was unfair that payments could be debited from his account at weekends and on bank holidays, but the corresponding credit was delayed.

Because Mr S didn’t agree I’ve been asked to review the 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’ve reviewed Mr S’s current account statements which show payments being made to his CB credit card account from January 2024. I’ve also reviewed Mr S’s credit card statements. Having done so, I can see that the majority of payments made by Mr S credited the credit card account the same day or the next working day. The only instances I’ve found where this wasn’t the case was where Mr S had made his payment on a Saturday. In the specific example that Mr S gave where his payment was made on 24 August 2024 but didn’t credit to the credit card account until 27 August 2024, this was because the payment was made on a Saturday. The next working day was Monday; however, this was a bank holiday Monday, so the next working day was Tuesday 27 August 2024.

In this case, Mr S has been sending his payments from his current account by the Faster Payment Service. Electronic payments sent by the Faster Payment Service have a guarantee to reach the beneficiary account no later than close of business the next working day. Typically, they will credit sooner than this and in some cases within 2 hours.

Based on what I've seen from the statements, I haven't seen any evidence to suggest that CB is deliberately delaying payments or acting unreasonably in some other way.

Mr S has made the point that in its final response, CB has stated that when it receives payments into his credit card, it credits these to the account immediately. Mr S takes issue with this statement. He says that if "immediately" was accurate, the payment should be credited on the same day not the next working day.

I appreciate the point Mr S is making here and I understand his frustration. However, CB doesn't control the Faster Payment Service. If CB doesn't receive the payment from the Faster Payment Service until the next working day, it can't credit the account on the day the payment is sent.

I understand that Mr S is unhappy that he was charged interest over the bank holiday weekend. However, it's clearly set out on the reverse of the monthly statements that interest and charges will be payable if a payment doesn't reach CB so that it clears by the due date. Based on what I've seen, the interest was charged in accordance with the terms and conditions, so I'm unable to say that CB made an error here.

For the reason I've given, I'm unable to uphold Mr S's complaint.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 7 January 2025.

Emma Davy
Ombudsman