

The complaint

Mr R is unhappy that The Co-operative Bank Plc consider him to have not met the criteria to qualify for an incentive payment.

What happened

Mr R switched his current account to Co-op and opened a savings account with Co-op to take advantage of an incentive Co-op were running which would result in him receiving a £150 incentive payment. One of the criteria for the incentive was that Mr R had to set up two active direct debits from his current account within 30 days of his current account switch completing.

Mr R received several items of correspondence from Co-op regarding the current account switch, but the last of these was a letter dated 8 July 2024 which confirmed that the switch had completed. Mr R therefore believed that he had until 8 August to set up the required number of direct debits to meet the incentive criteria, and he made the necessary arrangements in the days immediately preceding this 8 August deadline.

However, Mr R later received a message from Co-op saying that he hadn't qualified for the incentive because he hadn't had the qualifying number of direct debits in place on his current account by the required date. Mr R wasn't happy about this, so he raised a complaint.

Co-op responded to Mr R and noted that his current account switch had actually completed on 5 July, and not on 8 July as Mr R believed. And this meant that Mr R had to have the direct debits set up on his account by 5 August, which he hadn't done. Mr R wasn't satisfied with Co-op's response and felt that Co-op had indicated to him in their letter that the switch had completed on 8 July. So, he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt that Co-op had made it clear to Mr R in earlier communication that his current account switch date would be 5 July, such that the incentive criteria had to be met by Mr R by 5 August. Because of this, our investigator didn't uphold the complaint. Mr R didn't agree with the view put forward by our investigator, and so the matter was escalated to an ombudsman for 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 issued a provisional decision on this complaint on 19 December 2024 as follows:

When Mr R began the current account switch process with Co-op, he received a letter from Co-op dated 24 June which said that the switch process would begin on 27 June and that the switch completion date would be 5 July. However, this letter also said that those dates were subject to change and that Co-op would provide Mr R with a confirmed switch date once the process had started.

Co-op also later told Mr R that his switch date would be 5 July on the telephone, and also in emails that they sent to Mr R. However, the final item of correspondence that Co-op sent to Mr R about his switch was a letter dated 8 August – three days after the switch completed.

Importantly, this letter stated simply that the switch had completed, and didn't specify that the switch had completed three days earlier on 5 July. And I feel that having received this letter, that it was reasonable for Mr R to have understood that the completion of his switch had been delayed and that it had in fact completed on 8 August, the date of the letter.

As a bank, Co-op have a duty to consumers to provide clear and accurate communication. But I don't feel that Co-op did that in this instance, for the reasons explained above. And I also feel that if Co-op had sent the above letter on the day that the switch actually took place, 5 July, or if they confirmed in the letter sent on 8 July that the switch had completed on 5 July, then I feel it's likely that Mr R would have arranged for the required number of direct debits to be present on his account by 5 August.

I can appreciate that Co-op did explain to Mr R on several occasions prior to the 8 July letter that the switch date would be 5 July. But I don't feel it's unreasonable for Mr R to have felt that the latest item of correspondence he had received from Co-op – the 8 July letter which stated simply that the switch has completed – superseded all previous correspondence. And, ultimately, I don't feel that it's fair or reasonable for Mr R to be effectively penalised here because of what I'm satisfied was unclear communication issued to him by Co-op.

Accordingly, my provisional decision here is that I uphold this complaint in Mr R's favour and instruct Co-op to make the incentive payment to him as if he had set up the required number of direct debits on his account to qualify for the incentive.

Additionally, I'll also be instructing Co-op to pay a further £75 to Mr R as compensation for the trouble and upset that I feel he's unfairly incurred here as a result of Co-op not considering him to have qualified for the incentive. In taking this position, I've considered the frustration and inconvenience that Mr R has experienced, along with the general framework this service uses when assessing compensation amounts, details of which are on this service's website. And, having done so, I feel that £75 is a fair compensation amount.

Mr R didn't respond to my provisional decision. However, Co-op did and confirmed that they were in acceptance of it. As such, I see no reason not to issue a final decision here whereby I uphold this complaint in Mr R's favour on the basis described above. And I confirm that I do uphold this complaint on that basis accordingly.

Putting things right

Co-op must make the incentive payment to Mr R as if he had set up the required number of direct debits on his account to qualify for the incentive.

Co-op must also pay a further £75 to Mr R.

My final decision

My final decision is that I uphold this complaint against The Co-operative Bank Plc on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 5 February 2025.

Paul Cooper
Ombudsman