

The complaint

Mr H complains that The Co-operative Bank Plc blocked and closed his account without explanation. Mr H is also unhappy with some of the customer service provided to him.

What happened

The details of this complaint are well known by both parties, so I won't repeat them again here in detail. Instead, I'll focus on setting out some of the key facts and on giving my reasons for my decision.

Mr H held a current account with The Co-Op. On 6 August 2024 Mr H made a deposit in branch of £5000, after making a previous deposit of £2000 the day before. Mr H has said that he spoke with a staff member in branch after completing this deposit and explained he held Power Of Attorney (POA) for a friend who lived abroad. Mr H says he explained to the staff member that he would be making further deposits going forwards into his account from the sale of items such as jewellery and gold bars.

Following this The Co-Op decided to review Mr H's account and place a block on the account whilst it did so. When Mr H tried to deposit a further amount on 8 August 2024 he was asked to provide proof of his entitlement to the funds by the branch manager. Mr H explained he would be happy to provide this for any future deposits and left the branch without making this deposit. Mr H later provided a receipt for the £7000 cash he had recently deposited in an attempt to have the block removed from his account – a receipt he says he was specifically asked for by the branch – but the account remained blocked.

Mr H raised a complaint with The Co-Op on 11 August 2024 outlining that he was unhappy with the blocks placed on his account and that he had been put into a difficult and vulnerable position without access to his funds – including being left stranded in a city centre. He was also concerned that this put him at risk due to a medical condition he experiences.

The Co-Op subsequently closed Mr H's account on 16 August 2024 following which there was a delay in transferring the funds he held in the account to him which was not completed until 28 August 2024.

The Co-Op responded to Mr H's complaint on 23 August 2024. It didn't uphold the complaint point regarding the block and closure of the account but did award £300 in compensation for the delay in transferring the funds.

Mr H referred his complaint to this service. One of our Investigator's looked into it, and they recommended it wasn't upheld. In summary, they said The Co-Op was entitled to block and subsequently close the account in the way it did, and it was in line with the terms of the account. They also felt the £300 that had been paid to Mr H in compensation for the delay in transferring the funds was fair and reasonable.

Mr H disagreed. He's said he wants to know why The Co-Op closed his account rather than what its terms and conditions are. So, the matter has now been passed to me for a 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.

Having done so, I have decided not to uphold this complaint. I'll explain why.

The Co-Op has strict legal and regulatory requirements it must meet whilst it provides accounts for its customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. The Co-Op also has a duty to monitor its customer accounts and this sometimes means it may need to restrict access to these accounts while they carry out a review.

The Co-Op placed a block on Mr H's account on 8 August 2024 and then closed the account without notice on 16 August 2024. It relied on its terms and conditions to do so. I've reviewed the terms and conditions for Mr H's account and having also considered the circumstances of the account block and closure, I'm satisfied they allow The Co-Op to do this.

Mr H says he was asked by the branch to provide a receipt for the £7000 he had, at that time, recently deposited into his account. He says he was told that was what the branch needed to unblock his account and so he made a specific journey from the branch to obtain this receipt and brought it back. Having done this however, The Co-Op did not remove the blocks from Mr H's account. Mr H has also made reference to the fact The Co-Op had accepted deposits from him before this and so questions why it was different at that time.

Having thought about this, I don't find The Co-Op acted unfairly here. By accepting any given deposit from Mr H, The Co-Op weren't obligating themselves to accept them indefinitely. They were entitled to review what was happening on Mr H's account at any time, which they did. I appreciate there may have been some inconvenience to Mr H of travelling specifically to obtain a receipt for his previous deposits only for the blocks to not be removed; but asking for this proof of entitlement was a reasonable request to make of Mr H – and the receipt is something I find The Co-Op would have been entitled to review and not have to accept immediately. So, I find it was both fair and reasonable for The Co-Op not to have removed the block on Mr H's account as soon as the branch was given the receipt.

I know Mr H would like a detailed explanation for why his account was shut. But The Co-Op is under no obligation to do so. I would add too that our rules allow us to receive evidence in confidence. We may accept evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information The Co-Op has provided is information I consider should be kept confidential. A description of that information is that it pertains to the activity on Mr H's account and is of a nature which justifies The Co-Op's review and subsequent closure of Mr H's account.

I understand that Mr H will have undoubtedly been placed in a difficult position when his access to his accounts was restricted and I understand that he's explained that he was left stranded in a city centre. I was sorry to hear about his medical condition and the concern he held if he was affected by it during this period. However, because I find that The Co-Op was entitled to do what it did, I don't find that The Co-Op needs to compensate him for distress or inconvenience he experienced. It follows that I don't find that The Co-Op need compensate Mr H for any part of his complaint, including the delay in transferring funds.

My final decision

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 11 July 2025.

Mark Louth
Ombudsman