

The complaint

Mr D complains that The Co-operative Bank Plc blocked his account without providing a proper explanation. He says this caused him unnecessary stress and worry because he was trying to complete a house purchase.

What happened

Mr D had a savings account with Co-operative.

In November 2024, Co-operative decided to review Mr D's account to comply with its legal and regulatory obligations. Co-operative blocked the accounts whilst it completed the review.

Mr D discovered his accounts were blocked and contacted Co-operative to find out what was happening. But Co-operative wouldn't give Mr D much information and told him that it would send Mr D a letter in due course. Following this in March 2025, Co-operative decided to close Mr D's account immediately and sent him a cheque for the closing balance.

Mr D complained to Co-operative. He said Co-operative treated him unfairly by blocking his accounts without notice. He said at the time he was trying to complete a house purchase and only found out his account had been blocked via his conveyancing solicitors. Mr D said he had to borrow money from friends and take out loans because he couldn't access the money on his account due to it being blocked.

In response, Co-operative said that it had reviewed and closed Mr D's account to comply with its legal and regulatory obligations. And wasn't willing to provide a further explanation.

Mr D remained unhappy and asked us to investigate his complaint. He said the block on his account and lack of access to his funds caused him a lot of problems. He wants Co-operative to provide a proper explanation about why it blocked and closed his account. Mr D said Co-operative's actions made him feel stressed and anxious. He said whenever he contacted the bank he wasn't given any meaningful information.

After looking at all the information the investigator said that Co-operative hadn't treated Mr D unfairly when it had blocked and closed his account. Based on the information Co-operative had shared with us in confidence he didn't recommend Co-operative should do anything further to resolve Mr D's complaint.

Mr D disagreed. He asked for his complaint to be reviewed by an ombudsman. And said he had been off work recently due to his mental health and wanted more time to submit further information. The investigator told Mr D to provide more information by 28 March 2025, but Mr D didn't send us anything. So the matter has come to me to decide.

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 would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Co-operative has treated Mr D fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. But I have read all Mr D's submissions.

I want to make it clear that I understand why what happened concerned Mr D. I've no doubt it would've come as quite a shock to him, and he would've been very worried to find out that his account had been blocked. But as the investigator has already explained, Co-operative has extensive legal and regulatory responsibilities they must meet when providing account services to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.

I've considered the basis for Co-operative's review and having done so I find this was legitimate and in line with its legal and regulatory obligations. So, I'm satisfied Co-operative acted fairly by blocking Mr D's account. I appreciate that Mr D wants to know more about why Co-operative did what it did. But Co-operative isn't obliged to tell Mr D why it blocked and reviewed his accounts, and I don't believe it would be appropriate for me to require it to do so as much as he'd like to know.

The terms and conditions of Mr D's accounts also make provision for Co-operative to review and suspend an account. And having looked at all the evidence, I'm satisfied that Co-operative have acted in line with these when it suspended Mr D's account. So, although I understand not having access to his account caused Mr D trouble and upset it wouldn't be appropriate for me to award Mr D compensation since I don't believe Co-operative acted inappropriately in taking the actions that it did when it blocked Mr D's accounts.

The result of the review was that Co-operative decided they didn't want to provide financial facilities to Mr D anymore. Co-operative wrote to Mr D in March 2025 that it had decided to close his account immediately.

It's generally for banks and financial businesses to decide whether or not they want to provide, or to continue to provide, account facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank or financial business must keep customer or require it to compensate a customer who has had their account closed.

As long as banks and financial businesses reach their decisions fairly, it doesn't breach law or regulations and is in keeping with the terms and conditions of the account, then this service won't usually intervene. They shouldn't decline to continue to provide account services without proper reason, for instance of unfair bias or unlawful discrimination. And

they must treat new and existing customers fairly.

Co-operative have relied on the terms and conditions when closing Mr D's account. I've reviewed the terms, and they explain that Co-operative can close the account without notice. For Co-operative to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence that the bank has provided, including the information Co-operative has provided to this service in confidence, I'm satisfied that Co-operative did. And that it was entitled to close the account as it's already done. So, I can't conclude that Co-operative treated Mr D unfairly when it closed his account. So, I'm not requiring Co-operative to compensate Mr D for any trouble and upset he may have experienced because Co-operative blocked his account, and the further dissatisfaction he experienced which ultimately flowed from not having access to the funds in his account, including his unhappiness with Co-operative's communication and the information it didn't provide him.

In summary, I recognise how strongly Mr D feels about his complaint, so I realise he will be disappointed by my decision. But overall, based on the evidence I've seen I won't be telling Co-operative to do anything more to resolve Mr D's complaint.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 April 2025.

Sharon Kerrison
Ombudsman