

## **The complaint**

Mr L complains The Co-operative Bank Plc has recorded adverse information on his credit file unfairly.

## **What happened**

Mr L entered into an IVA in 2019. He was required to open a basic account and not to take on any borrowing. He opened a basic account with the Co-operative Bank.

Mr L says that the Co-operative Bank allowed two payments to go through in June and August 2022 that resulted in his account going overdrawn. He complained to the Co-operative Bank at the time saying that he wasn't allowed to borrow. His complaint wasn't upheld.

Mr L completed his IVA in 2024. He says he checked his credit file shortly afterwards and noticed that the Co-operative Bank had reported adverse information on his credit file in effect saying that he was late paying an overdraft. He complained to the Co-operative Bank saying that he'd never agreed a repayment plan as he felt that the Co-operative Bank should never have allowed the payments.

The Co-operative Bank looked into Mr L's complaint and said that it had done nothing wrong. Mr L was unhappy with the Co-operative Bank's response and so complained to our service. In the meantime, he cleared the overdraft on the account.

One of our investigators looked into Mr L's complaint and said that they didn't think the Co-operative Bank had acted unfairly as its terms and conditions meant his account could go into an informal overdraft and so the information it had reported was accurate. Mr L wasn't happy with our investigator's recommendation and asked for his complaint to be referred to an ombudsman. His complaint was, as a result, passed to me.

## **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.

Mr L complained to the Co-operative Bank in 2022 that it had allowed two payments to go through and that this had resulted in him going overdrawn. The Co-operative Bank issued a final response at the time explaining that the terms and conditions of his account allowed for informal overdrafts so it hadn't done anything wrong. I can understand why Mr L was unhappy, but I can see that this wasn't the first time he'd gone into an informal overdraft. I can also see that there were plenty of other occasions when the Co-operative Bank declined payments because of insufficient funds in Mr L's account. In short, whilst I appreciate that money was tight for Mr L as he was going through an IVA, I can see that he wasn't always managing his money so as to keep within his limits. I don't want this to take away from the fact that Mr L has completed his IVA and the effort and time he must have put into doing so.

The Co-operative Bank could have said that it had already issued a final response in 2022 when Mr L complained a second time in 2025. It didn't, and that's potentially because there was a new element to his complaint, namely that it had unfairly reported adverse information to his credit file. That's a distinction Mr L has made too – we've exchanged a number of emails following my involvement. He's said that this complaint is fundamentally different and far more serious because it concerns information reported to his credit file of which he was entirely unaware of until recently. At other times, however, Mr L has complained about the original payments. I'm going to deal with both issues in this decision – in part because the Co-operative Bank hasn't said that we shouldn't be looking at the first part of Mr L's complaint and in part because I think it's the right thing to do.

I'm satisfied that Mr L knew he'd gone overdrawn in 2022 and was sent letters in the post explaining this and that he needed to repay the overdraft otherwise adverse information might be reported. I'm also satisfied that the terms and conditions of Mr L's account allowed for informal overdrafts and that the Co-operative Bank didn't act unfairly allowing both payments to go through. I've seen nothing to suggest either payment was unauthorised and nothing to suggest Mr L didn't receive goods and services in return. I don't think it's unfair or unreasonable of the Co-operative Bank to report the fact that Mr L is over his overdraft limit – which by definition is what an informal overdraft is – given that I'm satisfied it wrote to him on several occasions about clearing his overdraft and the consequences if he didn't.

## **My final decision**

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 15 October 2025.

Nicolas Atkinson  
**Ombudsman**