

The complaint

Mr B is unhappy that The Co-operative Bank Plc (“Co-op”) refused his account application, which he believes is due to the lack of gambling blocks they provide.

What happened

I issued a second provisional decision on this complaint, inviting both parties to let me have any further comments. Below is a copy of what I provisionally decided and why.

Copy of second provisional decision

I previously issued a provisional decision stating that I don't intend to uphold this complaint for different reasons to the Investigator. Based on the further testimony and evidence obtained, my position on the outcome has changed.

So, I'm issuing this provisional decision so that both Mr B and The Co-operative Bank Plc have the opportunity to comment before a final decision is given.

In my provisional decision I found that Co-op were within their rights to reject the account application due to the breakdown of the relationship, and the previous increased compensation offers made to support this. I also couldn't see anything to suggest that the account rejection was linked to the gambling blocks Co-op had available. I explained that I didn't intend to uphold the complaint.

Mr B didn't accept my provisional decision. He said he'd only agreed to close the account temporarily to take a break, and Co-op had explicitly told him this was due to the fact that they couldn't provide the gambling blocks he required. He said that the call with Co-op's complaint handler led him to believe that the closure and rejection were linked to his gambling and the blocks Co-op couldn't offer. He said there was never any suggestion that he was ending the relationship for good and that I should listen to the calls he had about this. He maintained he should be able to get an account with them.

What I've provisionally 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 must stress that Co-op are within their rights to reasonably decide who they want to take on as a customer as long as there are no signs of discrimination. They've provided evidence to show that Mr B applied for a current account with them, and I can see that Mr B hasn't been left unbanked. So, while there are certainly some additional considerations for applications for basic accounts, they don't apply in these circumstances. Instead, I'll be considering whether the refusal to accept Mr B's account application was fair and reasonable.

The account application

When bringing the complaint to our service in June 2024, Mr B said that he needed access to the account as he had nowhere else to go. But he had an active account with another bank at the time and was able to open a new account with another provider in August. So, I

don't think Co-op's refusal to open an account has left Mr B without access to banking facilities.

Mr B thinks Co-op's refusal to open an account is because of the lack of gambling blocks they provided. Co-op has confirmed that this isn't the case, however after listening to the call they had with Mr B about his complaint, I can see why he disagrees.

Co-op confirmed in the call that the increased offer of compensation on his previous complaint with us and on the application decline was because they can't offer a product that suits his needs, particularly since he'd said that they don't have suitable gambling blocks.

Co-op told us that the increased offer on the previous complaint and the agreement to not chase him for the £808 was because they wanted to end the relationship. But after reviewing the correspondence, I don't think this was made clear enough to become an agreement that could prevent Mr B from applying again. So, I can see why he left with the impression that he did and why he attempted another application.

But even with these considerations, the fact remains that Co-op can commercially decide who they bank with. And setting aside this, I can still see that Mr B hasn't been happy with the service he's had from Co-op over the years, and he's also confirmed that Co-op's facilities aren't suitable for him. So, I think there's still a concern that re-starting the relationship could cause harm and I think that's a valid reason to avoid doing so.

Taking the above into account, I think declining Mr B's application was reasonable based on the circumstances. Mr B has said that multiple banks will no longer offer products to him, so I can appreciate why he's unhappy not to have an account with Co-op. But that isn't a basis for requiring that Co-op give him one.

The information provided to Mr B

As mentioned above, the new evidence does support what Mr B has said about the call he had with Co-op, particularly the reason for rejecting his application and the reason for the £808 compensation. I can understand why he's been confused by the information provided to him.

While banks aren't required to provide detailed reasons for the refusal, I think the information Co-op provided was misleading and partially incorrect based on the further information our service has received from them. I have no doubt that this has led to unnecessary distress and worry for Mr B, so I think compensation is due.

I note that Co-op has agreed to waive the £808 in dispute when they've stated that their only error was misinformation. But this was on a separate issue where Co-op accepted error and made an offer to put things right. Co-op have since said that they will pursue Mr B for the £808 if they are made to re-open an account for him, which suggests that this offer is a conditional one as it could be taken back in future.

Taking the above into account, I think any compensation for distress caused to Mr B should be separate from the £808. So, I think it would be appropriate for Co-op to pay Mr B £100 compensation to reflect the confusion caused over a long period of time.

My provisional decision

My provisional decision is that I intend to uphold this complaint and direct The Co-operative Bank Plc to pay Mr B £100. I don't intend to make any other direction.

Responses

I asked for both parties to let me have their responses by 24 March 2025. Mr B responded accepting what I said. Co-op didn't respond.

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.

Given that I haven't been presented with anything compelling disagreeing with my second provisional decision, I see no reason to depart from it and so I fully adopt my second provisional decision as part of this final decision. My conclusions are that Co-op has acted unreasonably and must pay Mr B compensation to put things right. I assess that £100 should be paid to resolve this complaint in full and final settlement.

My final decision

My final decision is, The Co-operative Bank Plc should pay £100 to Mr B.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 1 May 2025.

Chris Lowe
Ombudsman