

The complaint

Ms M is unhappy that The Co-operative Bank Plc conducted a balance transfer without her consent.

What happened

On 16 October 2024, Ms M applied for a Co-op Balance Transfer credit card online and requested a £10,000 credit limit. Her application was accepted by Co-op, who sent a copy of the credit agreement to Ms M for her to review and accept. Ms M signed and accepted the credit agreement on 21 October.

Because the credit card was a Balance Transfer, the credit agreement included a section for Ms M to instruct balance transfers, which would be actioned by Co-op as soon as the account was opened. Ms M included instructions to complete a balance transfer to a credit card she held with another credit provider and posted the signed credit agreement back to Co-op, who received it on 30 October.

Co-op then opened the account for Ms M and completed the balance transfer as per her instructions. But Co-op didn't send Ms M any confirmation that her account had been opened.

Having completed the balance transfer, Co-op sent a letter to Ms M confirming that she'd utilised a portion of her credit limit. This prompted Ms M to call Co-op and confirm that her account was open and had the £10,000 credit limit she'd requested. Ms M wasn't happy that Co-op had completed the balance transfer, as she hadn't wanted that transfer to take place at that time. So, she raised a complaint.

Co-op responded to Ms M but didn't feel that they'd done anything wrong and noted that they had completed the balance transfer in line with the instructions provided by Ms M when returning the signed credit agreement to them. Ms M wasn't satisfied with Co-op's response, so she referred her complaint to this service.

One of our investigators looked at this complaint. They didn't feel that Co-op had acted unfairly by completing the balance transfer, but they did note that Co-op hadn't sent any written confirmation to Ms M that her account had been opened. However, our investigator didn't feel that this lack of notification would have led to a different outcome, because the balance transfer would still have been completed by Co-op regardless of whether they posted an account opening letter to Ms M or not.

Our investigator also thought about whether Ms M had been unfairly denied her right-to-withdraw from the credit agreement within the 14-day cooling off period. But while they couldn't confirm exactly when Ms M became aware that the account had been opened, they didn't feel that it was likely that Ms M would have exercised her right-to-withdraw, had she become aware that the account was open during the 14-day cooling off period. Ms M didn't accept the position put forward by our investigator, 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.

Having done so, I don't feel that Co-op did act unfairly by completing the balance transfer when they did. This is because the credit agreement, which Ms M signed and accepted, included a section for Ms M to provide balance transfer instructions, which Ms M did. Additionally, this section of the credit agreement also explained that: *"Once your application had been processed and your account has been opened, we will transfer the balances in the order of priority."*

Ms M has explained to this service that she believed that balance transfers would be completed within 60 days of the account being opened. Unfortunately, Ms M's belief in this regard was based on a misunderstanding, and while the credit agreement does refer to 60 days, it does so in a different context – when explaining that a 0% interest promotional offer would only apply to purchases made within the first 60 days after the account was opened.

It's unfortunate that Ms M was of this misunderstanding, and having listed to calls that took place between Ms M and Co-op it's clear that Ms M didn't realise that she had instructed a balance transfer. But I feel that the information quoted above regarding balance transfers provides a clear explanation that Co-op would process any balance transfers instructed on the signed credit agreement as soon as the account was opened.

Accordingly, I feel that if Ms M hadn't wanted the balance transfer to take place when it did, it was incumbent on her to have delayed her application to Co-op until such time that she wanted the balance transfer to take place. And while I accept that Ms M may not have understood that she was instructing Co-op to complete a balance transfer as soon as they opened the account, I don't feel that Co-op should fairly bear any responsibility for Ms M's misunderstanding in this regard, given the clarity of the information they provided. As such, it follows that I don't feel that Co-op have acted unfairly by actioning the balance transfer instructions that Ms M provided to them.

Ms M is also unhappy that Co-op didn't send her any written confirmation that her application had been approved and that her account had been opened. I'm in agreement with Ms M that Co-op should have done this but didn't. However, I don't feel that Co-op's failure to send an account opening letter to Ms M had any impact on the balance transfer that they undertook. And this is because Co-op would still have completed the balance transfer upon the opening of the account regardless of whether they sent an account opening letter to Ms M or not. Accordingly, I'm satisfied that the outcome here – that Co-op undertook a balance transfer that Ms M wasn't happy about – would have been the same, either way.

Ms M has also questioned whether, by not notifying her that her account was open, Co-op effectively denied her of her right-to-withdraw from the credit agreement within the 14-day cooling period. Notably, the first call that Ms M made to Co-op about this issue, wherein she raised her complaint, took place the day after the 14-day cooling off period had ended. Ms M made this call in response to receiving a letter from Co-op and it's unclear when Ms M first received that letter.

On the call in which Ms M raises her complaint she was unhappy about the balance transfer having taken place and indicated that she would reverse the balance transfer at the earliest opportunity. Ms M was also unhappy that Co-op wouldn't reimburse the balance transfer fee that she'd been charged. But Ms M didn't make any specific complaint about being denied her right-to-withdraw because she wasn't notified that the account had been opened.

From listening to the call in question it seems clear that Ms M wanted to delay the balance transfer that had already taken place and obtain a reimbursement of the balance transfer fee. If Ms M had been able to exercise her right-to-withdraw, she could have affected a delay to the balance transfer. This would have required Mrs M to have returned the balance transfer amount to Co-op, which Ms M confirmed on the call that she was willing to do.

However, by exercising her right-to-withdraw, Ms M wouldn't have been able to obtain a reimbursement of the balance transfer fee that had been charged on her account. This is because that fee had been charged correctly and had been charged before Ms M would have exercised her right-to-withdraw.

All of which means that, while it may have been the case that Ms M didn't become aware that her account had been opened before the 14-day cooling off period had expired, I don't feel that there has been any adverse outcome for Mrs M if that were so. And this is especially the case given that because the balance transfer took place within the first 60 days after the account was opened it benefits from a promotional interest free period.

Finally, I note that in her correspondence with this service, Ms M has stated that this service plays a role in financial regulation. However I can confirm that this service isn't a regulatory body but is instead an informal dispute resolution service with a remit focussed on fairness of outcome.

Given that remit, and in consideration of the circumstances of this complaint, my final decision here is that I do not uphold this complaint or instruct Co-op to take any further or alternative action.

This is because I'm satisfied that Ms M did instruct Co-op to undertake the balance transfer. And while Ms M may have done so unwittingly, that doesn't alter the fact that Co-op acted in good faith on the instructions they received. Additionally, while Co-op didn't provide an account opening confirmation letter to Ms M, I don't feel that if they had done so that the outcome would have been any different to what happened here, or that Ms M incurred an adverse consequence as a result – because the balance transfer Ms M instructed would always have taken place and would always have incurred a balance transfer fee.

I realise this might not be the outcome that Ms M had wanted, but I hope that she'll understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 30 July 2025.

Paul Cooper
Ombudsman