

The complaint

Mr W and Mrs W complain that the Co-operative Bank Plc (Co-op) allowed an unauthorised third party to change their bank account details and Mr W's personal details over the phone. They would like Co-op to pay more compensation for the distress and inconvenience caused.

What happened

Whilst at a restaurant Mr and Mrs W discovered their bank cards were blocked. Mr W called Co-op and after some frustration and delay he was told to go to a branch. At the branch Mr W was told about the attempt to access his account and the changes to their account details.

Mr W said Co-op reinstated some of their account details and ordered them new cards. Mr W said his account was compromised previously and money taken, which the bank had reimbursed, which caused him to question Co-op's security process. He thanked the branch member of staff but said he could have been dealt with more sympathetically by Co-op's agents on the phone. Mr and Mrs W complained to Co-op.

Co-op said a scammer had purported to be Mr W and though security checks were carried out, regrettably its agents had changed the account details. Co-op said this was because the scammer knew Mr W's security information. Co-op apologised for Mr and Mrs W's call times and inconvenience and paid them £150 compensation for their distress and inconvenience.

Mr and Mrs W weren't satisfied that the level of compensation reflected the distress and inconvenience they had suffered and referred their complaint to our service.

Our investigator didn't recommend the complaint be upheld. He said an unauthorised party correctly provided personal and specific details about Mr and Mrs W's account. He said Co-op's agents had suspicions and told the caller to visit the branch with proof of ID. The scammer was unable to make payments from the account, so there was no financial loss.

The investigator said Mr W was inconvenienced by having to visit the branch and reinstate the account and clean his devices. He was also caused embarrassment when his bank cards were declined. But the Co-op had to be satisfied it was dealing with Mr W, and acted to protect Mr and Mrs W's account from any further unauthorised access.

The investigator said our service isn't the industry regulator and can't investigate a bank's policies as to their robustness, but he thought the Co-op had correctly followed its procedures. He said Co-op accepted the unauthorised access had caused Mr and Mrs W distress and inconvenience and paid £150 compensation, which he thought was fair.

Mr and Mrs W disagreed with this outcome and requested an ombudsman review their complaint. Mr W said the compensation doesn't reflect the distress, anxiety and embarrassment of their cards being declined and that Co-op had failed them. He said if our service can't regulate businesses' procedures he should have been re-directed.

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 was sorry to learn about the unauthorised changes made to Mr and Mrs W's account with the Co-op and the impact this had upon them. They have been the victims of an attempted fraud, and I can well understand the inconvenience and upset they have been caused.

The investigator has noted that we aren't the financial regulator and cannot require a bank to change its procedures. However, in assessing whether Co-op acted reasonably, I've taken into account the relevant rules and guidelines along with good industry practice. The regulator is the Financial Conduct Authority and Mr W is at liberty to bring his concerns to them, but they do not consider individual disputes.

Mr and Mrs W didn't think their account details should have been changed, and questioned Co-op's security. Although it is disappointing that Co-op changed account information in relation to calls from the scammer, I note that the scammer was in possession of Mr W's account security information and used this during the calls. This means the scammer was able to provide the information required by Co-op and so a change of account details was much more likely to be carried out than from an uninformed opportunist. It is not clear how Mr and Mrs W's account security was disclosed to the scammer but there's nothing to show that this was a data leak from Co-op.

Fortunately, Co-op's agents were sufficiently suspicious on a follow-up call to block the cards and require the scammer to prove his identity in branch. This stopped the scam in its tracks and there was no financial loss to Mr and Mrs W. It followed that when Mr W called about his blocked card, he too was asked to attend the branch to verify his identity. This was inconvenient to Mr W but is in accordance with Co-op's security procedures and is a commonsense way of stopping fraud.

Having checked Co-op's records, it doesn't appear Co-op breached its security procedures in taking actions in relation to Mr and Mrs W's accounts. None of that changes the inconvenience Mr W experienced of having to go to the branch, clean data from his devices and change his email address and security information. Or the embarrassment of having bank cards declined. But it means Co-op took appropriate and prompt security measures to protect their accounts and have not acted outside of its terms or conditions or in error.

When a fraud is attempted, it always follows that the potential victims will be inconvenienced in changing their security arrangements. However, I'm pleased that Co-op paid Mr and Mrs W £150 for their distress and delay in resolving matters, and I agree with the investigator that £150 is a fair and reasonable reflection of what they experienced.

I'm also pleased to note that Co-op's security team has put measures in place to monitor Mr and Mrs W's account closely. This is important given the attempts to de-fraud the account and knowledge of Mr and Mrs W's security information.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Mrs W to accept or reject my decision before 7 July 2025.

Andrew Fraser
Ombudsman