

## **The complaint**

Mr and Mrs P complain that The Co-operative Bank Plc took too long to deal with an application for a new interest rate and to change the term of their mortgage.

## **What happened**

Mr and Mrs P have a mortgage with The Co-op. In May 2024 they applied for a new interest rate and to change the mortgage term.

They spoke to an adviser on 30 May. The Co-op sent them an illustration the following day. Mr and Mrs P say they heard nothing more until 2 July, when The Co-op contacted them to ask why they had not returned the application form and supporting documents – Mr and Mrs P said they had never received an application form to complete and weren't aware The Co-op was waiting for further information from them.

The Co-op sent them an application form. But it contained information relating to another customer, not to their request. This included personal information about that other customer. Mr and Mrs P contacted The Co-op to question this. It said it would investigate – it later told them that it was a printing error and that their application form had not been printed or sent to anyone. The Co-op sent them the correct documents.

Mr and Mrs P say they realised that they had still not been sent all the required documents – in particular, the declaration they needed to sign and return. In the meantime, they sent in their financial information.

Mr and Mrs P say that when they finally received the full application form, it contained various errors. There was no place for them to sign and information they had previously provided had been left off the form or recorded inaccurately. Mr and Mrs P corrected the form and returned it.

They say they then spoke to The Co-op, and it asked for additional information it hadn't asked for before – for example, it had previously asked for one month's payslips and bank statements, which they had provided, but it was now asking for three months' worth.

It was by now July – Mr and Mrs P returned the required information, and also made a complaint about the delays and poor service.

Mr and Mrs P didn't hear back about their complaint. They say that in August, The Co-op asked them to return an authorisation form it had never sent them. When they questioned this it was sent to them with instructions to return it in the enclosed pre-paid envelope – but there was no envelope. Mr and Mrs P called The Co-op to check where it should be sent and were given a different address to the one in the correspondence.

On 21 August, Mr and Mrs P say that they were asked to return a deed of consent for their adult son (also resident in the property) – which they had also not been asked for before. They completed and returned that form, and the mortgage finally completed at the end of August.

The Co-op responded to their complaint at the end of November. It said it accepted it had made mistakes. It had initially sent Mr and Mrs P the wrong application form, with another customer's information. But it was confident it hadn't wrongly sent their information to anyone else. It then sent them the correct application. The Co-op said that it hadn't kept them updated with their progress of their application. It offered £100 compensation.

Mr and Mrs P brought their complaint to us. They said they weren't happy with what The Co-op had said. They said it had taken five months to respond to their complaint and The Co-op still hadn't addressed the issues they were concerned about. They said that they weren't reassured that their own personal data hadn't been wrongly shared – if they had received information about another customer, they couldn't be sure theirs hadn't also been sent to other customers. They said that its compensation offer didn't reflect the amount of time they had spent trying to resolve things, or the upset its errors had caused.

On further reflection, The Co-op increased its offer of compensation to £250. Our investigator thought that was a fair offer. Mr and Mrs P didn't agree and asked for their complaint to be reviewed by an ombudsman.

### **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.

It's not in dispute that The Co-op didn't handle this application at all well. It didn't provide the right information to Mr and Mrs P, it didn't clearly tell them what they needed to do – and it sent them personal information relating to another customer altogether. It also delayed responding to their complaint about what had gone wrong.

What I therefore need to decide is whether The Co-op's offer of compensation is enough to put things right – or whether there is more it needs to do.

I've thought carefully about this. On balance, I'm satisfied that it has now made a fair offer. In the first place, it's important to note that the application did go through in the end. The process should have been handled better, but the changes Mr and Mrs P wanted did happen. So there's no financial loss here.

Secondly, there's no evidence that any data breach resulting in loss of Mr and Mrs P's personal information happened. They should not have been sent information relating to another customer, and there was a breach of data protection in relation to that customer. But The Co-op says that its records show that the wrong application form was printed and placed in the envelope sent to Mr and Mrs P – but that, at this time, their application form wasn't printed at all. I have no reason to doubt that. So while it's natural that Mr and Mrs P would be concerned not only to have received another customer's data, but also concerned whether their own had been put at risk, it seems that didn't in fact happen. Again, there's no financial loss that resulted from this.

As there is no financial loss, the question I have to consider is what is the appropriate level of compensation for non-financial loss. In thinking about that I've borne in mind the Financial Ombudsman Service's guidance on compensation.<sup>1</sup> The guidance says that an award of up to £300 is appropriate where there have been "repeated small errors, or a single larger mistake, requiring a reasonable amount of effort to sort out. These typically result in an impact that lasts a few days, or even weeks".

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<sup>1</sup> <https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience>

I'm satisfied that applies to this situation. The Co-op made a series of mistakes in the course of a mortgage application, requiring effort over a period of weeks to sort out. In the circumstances, I think its revised offer of £250 compensation is fair.

In saying that, I've borne in mind that there were also delays in responding to Mr and Mrs P's complaint, which stretched beyond the resolution of the mortgage itself into November. The rules give a firm eight weeks to respond to a complaint. If the response isn't accepted, or it doesn't respond at all within that time, the complainant then has the right to come to the Financial Ombudsman Service. That's what Mr and Mrs P did, and I don't think that's therefore enough to increase the award of compensation beyond the "up to £300" level.

### **My final decision**

My final decision is that The Co-operative Bank Plc should pay Mr and Mrs P £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to accept or reject my decision before 22 October 2025.

Simon Pugh  
**Ombudsman**