

## The complaint

Mr B is unhappy that The Co-operative Bank Plc consider his account to be closed and with the service he's received surrounding that.

## What happened

Mr B held a credit card account with Co-op. On several occasions in 2024, Mr B spoke with Co-op and asked for a replacement credit card, but he never received one. Mr B was later told by Co-op that the reason for this that his account had been closed because he hadn't used it for a significant period of time. Mr B wasn't happy about that Co-op considered his account to be closed and didn't accept that the account was closed, given that none of Co-op's agents had told him such on the several occasions that he's spoken with them. So, he raised a complaint.

Co-op responded to Mr B and explained that they'd written to him in December 2022 advising that if he didn't use his credit card account by 2 February 2023, that they would close the account - which they did do when Mr B didn't use his Co-op account by that date. Co-op confirmed that this was the reason that a replacement card hadn't been sent to him. Co-op also apologised to Mr B that he hadn't been told of the closure of his account during the several conversations he'd had with them in 2024, and they offered to pay £75 to Mr B as compensation for any trouble or upset that may have caused. Mr B wasn't satisfied with Co-op's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. They didn't feel that Co-op had acted unfairly by closing Mr B's account but agreed that Co-op should have been clearer in their communication with Mr B after the account had been closed and said that Co-op should pay the £75 compensation they'd offered to Mr B because of this. Additionally, our investigator noted that Co-op had sent Mr B the credit balance of his account when it had been closed, and said that Co-op should pay that amount to Mr B along with 8% simple interest. Mr B didn't accept the recommendations 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.

I issued a provisional decision on this complaint on 10 June 2025 as follows:

*Mr B feels that the fact that the Co-op agents he spoke with throughout 2024 didn't tell him that his account was closed is an indication that the account wasn't closed at that time, and he feels that Co-op are now retrospectively saying that the account was closed when that wasn't the case at the time. I'm not persuaded by Mr B's argument here, and I'm satisfied from the information provided to this service by Co-op that they did close Mr B's account in 2023, when Mr B didn't use the account by the date given in the letter that Co-op sent to him in December 2022 to do so.*

*Mr B has explained that he never received that December 2022 letter. But I feel it's most likely the case that Co-op's record of sending that letter to Mr B is accurate. And while it doesn't necessarily follow from this point that Mr B received the letter that was posted to him, I wouldn't hold Co-op accountable for the non-delivery of posted mail, given that mail is delivered by a postal service over which Co-op have no direct control. As such, if Mr B didn't receive the letter posted to him in December 2022, I feel that this would be unfortunate, but not unfair.*

*Ultimately, Mr B didn't use his Co-op account for a significant period of time, and this triggered Co-op's account dormancy process, which resulted in Co-op closing Mr B's account. Almost all banks and credit providers have an account dormancy process, and it's for each business to decide how they will administer accounts that aren't being used. In Co-op's case, their process is to invite the account holder to use the account, and to close the account if they do not. That feels reasonable to me, and I don't feel that Co-op have acted unfairly towards Mr B by closing his account.*

*Given that I'm satisfied that Co-op did close Mr B's account in 2023, it follows that I feel that the conversations that Mr B had with Co-op agents throughout 2024 should be considered as a separate event - specifically, repeated instances of poor service. When Mr B spoke with Co-op in 2024, he should have been told that his account had been closed the previous year. And while I can understand why Mr B might suspect from the failure of Co-op's agents to do this, that his account was still open, I'm satisfied that Mr B's suspicion in this regard is incorrect, and that Co-op's agents failed to recognise that his account was closed.*

*It may have been the case that the credit balance that was present in Mr B's account at the time of the account closure caused the confusion, especially as Co-op failed to send this credit balance to Mr B or reach out to him about it. This was another failure of service on Co-op's part. And I feel it's fair that Co-op should now send that credit balance to Mr B along with 8% simple interest calculated from the date of account closure to the date of reimbursement.*

*Co-op have offered to pay £75 to Mr B for the poor service that he experienced, including their failure to inform him of the correct status of his account during the calls he made to them in 2024. It's commendable that Co-op have recognised the poor service that they provided and have taken steps to address it. But I'm not convinced that £75 goes far enough in consideration of the length of time that Mr B was misinformed about the account and the frustration and inconvenience that caused, including Mr B's attempts to get a replacement credit card on an account he wasn't told was actually closed.*

*Having thought about the impact of what happened here on Mr B, and in consideration of the general framework this service uses when assessing compensation amounts - details of which are available on this service's website - I feel that a compensation of £200 would provide a fairer outcome here. Accordingly, I'm provisionally upholding this complaint on that basis and instructing Co-op to pay £200 to Mr B, along with the reimbursement of his account balance at the point of closure with 8% interest.*

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Mr B responded to my provisional decision and said that he had been unable to use his card while his account was open because every time he tried to do so, the transaction declined. But having reviewed the Co-op's notes and the secure messages that took place between Mr B and Co-op, I feel that the reason Mr B's attempted transactions failed was because his account had already closed when he attempted them.

As explained in my provisional decision letter, Co-op sent Mr B a letter in December 2022 which explained that unless Mr B used his Co-op credit card by 2 February 2023, his account would be closed. Mr B didn't use his card by that date, and his account was then closed by Co-op.

Subsequent to this, on 8 March 2023, Mr B asked Co-op to increase his credit limit from £250 to £500. In response, Co-op sent Mr B a secure message the following day, 9 March 2023, which incorrectly said that because Mr B hadn't used his card for over a year, he would need to use his card for at least six months before Co-op would consider a credit limit increase. This was a mistake on Co-op's part, and Mr B should have been told at that time that his account had been closed.

However, it's notable that Mr B responded to Co-op's message that same day and said: *'No problem. I might start using my account again...'* which I feel confirms that Mr B hadn't been using his Co-op credit card for some time. And importantly I feel that this confirms that Mr B hadn't used his card before the 2 February 2023 deadline, at a time that he reasonably could have done given that the card has a £250 credit limit that Mr B could have utilised, such that I remain of the opinion that Co-op didn't act unfairly by closing his account.

Mr B also reiterated his belief that the fact that Co-op's staff didn't recognise the account as closed and arranged for a new credit card to be sent to him confirms that the account was open. But my position on this matter remains as it was in my provisional decision, which to confirm is that the account was closed in February 2023 and that Co-op's staff made a series of errors in not recognising that fact.

Given that several errors did occur, it may have been the case that there was a system error, whereby Co-op's staff were acting in good faith on incorrect information presented to them on Co-op's systems. But as I have previously explained, Co-op have demonstrated to my satisfaction that the account was closed, and I feel that the explanation of why Mr B's card transactions were declined that I have outlined above is a further indication that the account was closed. I also confirm that I have taken the poor service that Mr B received in this regard into account when I provisionally instructed Co-op to pay £200 compensation to him.

Finally, Mr B asked how many similar account holders are still able to use their credit cards with Co-op. But this isn't information that Co-op are obliged to provide to Mr B, and neither would I reasonably expect them to.

All of which means that my final decision here is that I uphold this complaint in Mr B's favour on the basis described in my provisional decision above.

### **Putting things right**

Co-op must pay £200 compensation to Mr B.

Co-op must also reimburse any credit balance present in Mr B's account when it closed to Mr B, along with 8% interest calculated from the date of account closure to the date of payment.

### **My final decision**

My final decision is that I uphold this complaint against The Co-operative Bank Plc on the basis explained above.

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

Paul Cooper  
**Ombudsman**