

The complaint

Mr S complains that The Co-operative Bank Plc (The Co-op) closed his bank account without him receiving notice. He also complains they failed to release his balance to him when they should have. He wants compensation for the impact this had on him.

Mr S has also complained to this service that due to a delay in The Co-op sending him his bank statements he incurred a penalty from HMRC with regards to his annual self-assessment. I can't see that this has been raised to The Co-op as a complaint. As such, I haven't considered this as a part of my decision. If Mr S wishes to raise this as a complaint, he will need to contact The Co-op in the first instance and allow them the opportunity to issue an FRL regarding this.

What happened

Mr S held a current account with The Co-op. Following an internal review, The Co-op wrote to Mr S on 30 October 2024 explaining that it had decided to close his account with effect from 2 January 2025 and that he would need to make alternative banking arrangements. Mr S had full access to, and use of, his account within this time.

Mr S says he never received this letter. He has said that this, to him, unexpected closure caused significant financial difficulties and that he had to rely on friends and family for money whilst he waited for The Co-op to send him a cheque and for this to then be cashed and subsequently clear elsewhere.

Mr S says he attempted to use his debit card on 4 January 2025 and found that it wasn't working. When discussing this with The Co-op the next day Mr S was told his account had now been closed and was referred to the letter dated 30 October 2024. Mr S has said this is the first time he was made aware of The Co-op's decision to close his account.

Following this, Mr S contacted The Co-op to raise his concerns. The Co-op responded to Mr S with its FRL dated 10 January 2025 explaining it was unable to uphold his complaint and its decision to close his account hadn't been taken lightly and that it was final. It said it was unable to provide Mr S with an exact reason and that a notification letter had been sent to Mr S providing 60 days' notice on 30 October 2024 and so the closure was therefore in line with the terms and conditions of the account.

Mr S remained unhappy so referred his complaint to our service. One of our Investigator's looked into it, and they recommended it wasn't upheld. In summary, they said The Co-op was able to close the account in the way it did and were satisfied it'd done so in line with the terms and conditions of the account. They explained The Co-op was entitled to rely on the postal service and were only required to send notice of the closure to the correct address, not to ensure it was received. They went on to explain that they felt the time it took The Co-op to issue Mr S a cheque for his balance was reasonable.

Mr S disagreed. He says that he doesn't believe the notice letter dated 30 October 2024 was ever sent to him and that The Co-op should have let him know of the impending closure through another means such as online banking. Mr S also says that he's still not been given

a reason for the closure and that it has caused him financial loss and both distress and inconvenience. Mr S says that by the time he was able to cash the cheque and it having cleared, he had been without his money for three weeks.

Because Mr S disagreed, the matter was passed to me to decide. I then sent both parties my provisional decision which set out that I had decided not to uphold Mr S's complaint. For reference, here is what I said:

"The Co-op has strict legal and regulatory requirements it must meet whilst it provides accounts for its customers. Part of these require the Co-op to monitor its customers' accounts, and this sometimes means it may carry out a review, the result of which might mean an account is closed.

Regarding the decision to close the account, The Co-op has provided details of its decision making process, that I am accepting in confidence - which is a power afforded to me under DISP 3.5.9R(2) of the Dispute Resolution Rules. I'm sorry but I can't share this information with Mr S due to its commercial sensitivity. A description of this information is that it sets out The Co-Op's concerns over activity which does not align with its policy. On balance when considering The Co-op's wider regulatory responsibilities and all the information available to me, I find it had a legitimate basis for closing Mr S's account and not telling Mr S why. So, I don't find The Co-op treated Mr S unfairly by deciding to close his account.

Before The Co-op closes an account, it must do so in a way, which complies with the terms and conditions of the account. The terms and conditions of the account, which The Co-op and Mr S had to comply with, say that it could close the account by giving him at least 60 days' notice. And in certain circumstances it can close an account immediately.

The Co-op has provided me with evidence that it did send the notification of closure letter dated 30 October 2024. This letter provided Mr S with 64 days' notice that his account would close on 2 January 2025. I appreciate that Mr S has said he never received this letter but there is no corresponding obligation to ensure Mr S has received this once it's been sent, nor provide notice in another format – such as online banking. It isn't of course prevented from contacting a customer by additional means, and I understand why Mr S feels it should have in his circumstances.

But, having considered the nature of the information that I have accepted in confidence as referenced above I don't find that The Co-op needed to provide notice to Mr S under the terms and conditions of the account and would have been entitled to close the account immediately. As such I don't find it reasonable to award any compensation for losses Mr S incurred either directly or indirectly as a result of not being aware his account was to close.

Mr S's account actually closed on 3 January 2025, with the process for producing and approving the cheque being completed by 13 January 2025. I don't find that this is an unreasonable amount of time. The Co-op can't be held responsible for any delays occurring after this such as another financial institution's cheque clearing timescales. I understand that Mr S asked for The Co-op to transfer his funds to another account rather than send a cheque but I don't find it unreasonable that they didn't do this given Mr S didn't have another account in his name and that The Co-op wouldn't otherwise deposit those funds into another person's account, as explained in its FRL.

As I'm satisfied that The Co-op haven't acted inappropriately in regards to the closure of the account, the manner in which it provided Mr S notice or it's sending of the cheque, I am not awarding Mr S any compensation with regards to any of the losses, financial or otherwise, he has said he incurred as a result of The Co-op's actions."

Mr S responded to say he disagreed with my provisional outcome.

He has said that he accepts The Co-op is able to close his account if it wishes to but that it is the manner in which the action was taken that is the issue. Mr S has said he had no knowledge of the impending closure and that this cost him a significant amount of money and caused substantial inconvenience – considering he was unable to open a new account elsewhere and transfer his affairs. He's explained he had to borrow money and this caused him a great deal of embarrassment. Further, Mr S has said that The Co-op must, especially given he's a long-standing customer, have an obligation to ensure he had full knowledge of the impending closure and that he wouldn't have known his account was to close unless he had attempted to use his debit card on 4 January 2025.

Mr S has also said that it's unfair he was without his funds for such a period of time following the closure and that The Co-op should have contacted him prior to ask if he had made alternative arrangements to transfer his funds or ask what he would like to happen with them. He has said that he should receive compensation to acknowledge the costs he incurred and for the inconvenience he suffered.

The Co-op did not provide any further comments following my provisional decision. As such, I'm now making my 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've decided not to uphold Mr S's complaint for the same reasons I gave in my provisional decision. My findings are repeated above and form a part of my findings for this final decision.

Mr S has again referenced how he incurred a penalty from HMRC due to a delay in The Co-op sending him bank statements. As confirmed previously, I haven't considered this as a part of my decision. Mr S will need to raise this matter with The Co-op in the first instance if he wishes to complain about this.

I don't doubt what Mr S has said regarding the impact The Co-op's decision to close his account had on him and I'm sorry to hear of the embarrassment and depths the inconvenience caused to him. However, as I set out in my provisional decision, I find that The Co-op would have been entitled to close his account immediately – without providing any notice at all. And so I don't find it reasonable to award compensation for any of the losses or inconvenience Mr S says he suffered as a result of him not being aware of the impending closure.

I appreciate Mr S was a long-standing customer of The Co-op, but this doesn't change its entitlement to close the account in the way it did. Nor was it under any obligation to ensure that Mr S was aware of the closure or ask him what he would like to happen with his funds. Additionally, for the reasons I set out in my provisional decision, I don't find The Co-op acted unreasonably in not transferring Mr S's funds to another account and sending him a cheque instead.

Having considered all of the available evidence, and Mr S's comments in response to my provisional decision, I don't find that The Co-op acted unfairly in regards to the closure of the account, the way it provided Mr S notice or its sending of the cheque.

My final decision

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 October 2025.

Mark Louth
Ombudsman