

## **The complaint**

The trustees of a trust, which I will refer to as T, complain that THE CO-OPERATIVE BANK P.L.C. trading as Britannia has made various errors in relation to the trust's accounts. In particular, they complain:

- They had difficulty contacting Co-op via telephone. When they did make contact, they were given contradictory information about the options available for the trust's funds.
- They were not told until it was too late that Co-op had decided to withdraw certain maturity options that had previously been available through Britannia.
- They consider that the transition from Britannia to Co-op was badly managed and underresourced, and that Co-op did not acknowledge that it was responsible for funds that were previously held with Britannia.
- They experienced delays when trying to obtain statements of interest.
- The trust is losing interest because its funds are currently attracting lower interest rates than those offered by Britannia at maturity.
- They have wasted considerable time in trying to resolve this matter.

## **What happened**

The Co-operative Bank Plc and Britannia Building Society merged back in 2009 but did not immediately change the branding on all of the accounts that they offered. T later held a series of Britannia branded products.

In early 2024, T held two accounts with Britannia branding, a Select Access Saver Account and a one year Fixed Term Bond (FTB) with a maturity date in late May 2024. There has been some confusion as to the exact maturity date, but I don't think that confusion is material here.

Co-op told us that it wrote to T's trustees, as it does to all FTB holders, approximately six weeks before the maturity date of their product to set out their options. It told T's trustees that they could reinvest in a Co-op branded FTB, but that was not in fact the case – Co-op's FTB is not available to trusts like T.

T's trustees filled in a form asking to take out a new FTB. Co-op initially said it could not process the form because it had not been properly signed by all of the trustees. Co-op later said that it could not have opened a new FTB for T even if the form had been properly signed at the outset, because it had made the decision not to offer that product to trusts like T. T's money was transferred to a Co-op Select Access Saver 1 account instead.

T's trustees later complained that T's money should have been placed in a Britannia FTB (or Co-op FTB) paying 4.56% interest rather than the Select Access Saver 1 paying 3.25% interest. To resolve their complaint, they would like Co-op to pay T the difference between

the interest rate T actually received and the rate it would have received had the FTB gone ahead, which they calculate as approximately £1,200 a year.

Co-op accepted that its customer service had been poor, and offered T's trustees a payment of £350 to apologise for the inconvenience that poor service had caused.

One of our investigators looked at this complaint, and concluded that Co-op's offer was fair. He said that Co-op was entitled to make the commercial decision not to offer FTB accounts to trusts, so he didn't think it would be appropriate for us to interfere with Co-op's decision not to make the 4.56% FTB available to T's trustees. He thought Co-op's offer to pay £350 was fair and reasonable in respect of the errors it had made.

T's trustees did not accept our investigator's conclusions, so the matter was referred to me.

### **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 agree with our investigator's conclusions. Briefly:

- I do not criticise Co-op for deciding not to make fixed term bond products available to the trustees. I consider that was a commercial decision that Co-op was entitled to make, and it would not be appropriate for me as an ombudsman to interfere with it.
- However, I think Co-op should have told T's trustees much earlier that they would not be able to put T's money into a Co-op fixed rate bond. In addition, Co-op should not have given the trustees confusing or misleading information – and in particular, Co-op should not have said that it was open to T's trustees to open a new fixed rate bond when that was not the case.
- I am satisfied that Co-op's error caused inconvenience and disappointment to T's trustees, but I am not satisfied that its error caused financial loss.
- Overall, my opinion is that Co-op's offer to pay £350 represents fair and reasonable compensation.

I give more details about my findings below.

Firstly, I should stress that as an ombudsman I am only considering the individual circumstances of the complaint in front of me. I know that T's trustees have wider concerns about the way in which Co-op runs its business, but I am not a regulator and those wider concerns are not a matter for me. That means I will not comment on any of the trustees' points about the way the migration from Britannia to Co-op was managed.

Co-op is entitled to make a commercial decision about which types of customers it offers its products to, so long as it complies with the relevant regulations and the general law. I acknowledge that T's trustees are disappointed that Co-op has decided that it will no longer offer FTBs to trusts like T, but I don't think it would be appropriate for me to interfere with that decision. I see no reason why Co-op would be required to continue to offer FTBs to trusts like T if it does not wish to.

Having said that, Co-op should not have told T's trustees that an FTB was still an option for them when it was not. Co-op was required to give the trustees information that was "clear, fair, and not misleading", but it did not do so. I consider that Co-op should have told the

trustees at a much earlier stage that it was not prepared to allow them to open a new FTB. I am also satisfied that Co-op should have provided T's trustees with statements of interest more quickly than it did.

I am therefore satisfied that Co-op's errors caused distress and inconvenience to the trustees. But I am not satisfied that T or its trustees suffered financial loss as a result of an *error* by Co-op. I acknowledge that T would have received more interest had its funds been transferred to a new FTB, but I don't think Co-op made an error in deciding not to allow T to reinvest into a new FTB.

T's trustees have provided me with a detailed explanation as to why they chose to leave T's funds in the Select Access Saver 1, rather than transferring them to a different product (either with Co-op or elsewhere). I understand the arguments they have made. But I remain satisfied that Co-op did not make an error when it decided not to allow the trustees to take out another FTB. I acknowledge that Co-op should have given the trustees more information at an earlier stage, but I still think the trustees were responsible for their own decision to leave T's funds in the Select Access Saver 1. That means I will not award compensation for the difference between the interest T's funds actually received and the interest those funds would have received had they been held elsewhere.

### **Putting things right**

I appreciate that T's trustees do not consider £350 to represent adequate compensation for T's loss of interest. But I am not making any award at all for loss of interest – my award is purely for the disappointment and inconvenience the trustees suffered.

I have taken into account the guidance our investigator referred to (which is available online at <https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience> ). I have thought about what happened here, and applied my own judgement. Having done so, I consider that £350 does represent fair compensation in this complaint. I acknowledge that T's trustees strongly disagree, but for the reasons I've given above I don't think it would be appropriate for me to make an award for financial loss.

### **My final decision**

My final decision is that THE CO-OPERATIVE BANK P.L.C. trading as Britannia's offer is fair. If it has not already done so, I order it to pay £350 to T's trustees.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 21 November 2025.

Laura Colman  
**Ombudsman**