

The complaint

Ms W is unhappy that THE CO-OPERATIVE BANK P.L.C. will not honour two cash competition prizes it mistakenly told her she'd won.

What happened

The bank ran a promotion between December 2023 and November 2025. Customers that opted in and made payments using their debit card would be entered into a prize draw. At the end of each calendar month within the promotional period, a draw would take place. Eleven customers a month would win a cash prize. The prizes ranged from £500 to £2,500. Ms W had won a prize previously and received a £500 payment into her account in April 2024.

On 28 March 2025 and 3 April 2025, Ms W logged into her online banking app. She explains that on both occasions she saw a pop-up message congratulating her on being one of that month's competition winners. She recalls the message said the bank would be in touch informing her how much she'd won a few days after the end of each month.

Ms W didn't hear anything further. She contacted the bank on 25 April 2025 to ask about the March prize draw. The bank looked into things and spoke to Ms W on the phone on a number of occasions between 25 April 2025 and 21 May 2025. Co-op initially said Ms W had not received any pop-up messages, then later it agreed she had. In its final response letter, Co-op confirmed it had sent Ms W the pop-ups about winning the prize draws in error and, unfortunately, she had not won any prizes for March and April 2025. It offered Ms W £150 compensation to recognise the distress and inconvenience she'd been caused.

Ms W was very disappointed and referred her complaint to us. She said Co-op should have honoured the pop-ups and paid the winnings as it was the bank's mistake. She felt she was eligible for at least £500 for each draw as this was the minimum prize amount. She explained the winnings would have helped to offset the cost of an expensive flight she had to take at short notice in early April 2025 when a family member was unwell. She also highlighted the trouble and stress she'd been put to by pursing the complaint.

Our Investigator considered the complaint but didn't recommend it should be upheld. He said it wasn't reasonable to ask Co-op to pay a cash prize if Ms W hadn't won. He felt the £150 compensation the bank had offered to recognise the distress and inconvenience caused was fair.

Ms W didn't agree. She thought £150 to recognise the disappointment of two errors by Co-op was inadequate. She wanted Co-op to be penalised and take this matter more seriously because it had a big impact in a difficult economic climate.

Our Investigator explained that we are unable to punish or fine a financial business. He agreed the bank had made a mistake but felt the impact and severity of the mistake was fairly recognised by the compensation that had been offered.

Ms W was disappointed with how Co-op had responded to the incident and said it was unfair the bank was not being held accountable for its errors. She suggested it would be moral for Co-op to offer at least the lowest amount of winnings. She added that Co-op had breached the terms and conditions of the competition by not paying the prizes when she had been notified of a pop up within the app.

As no agreement could be reached, the complaint has been referred to me to decide.

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'm afraid I'm going to have to further disappoint Ms W. Ms W had won a prize previously so I can well understand why she had an expectation that she'd been lucky and won two more times when she received these notification messages.

Ms W has highlighted that she met the conditions of the competition because she used her card to make payments and she received a notification within the app to tell her she'd won a prize. But I can't fairly or reasonably say that Ms W should benefit from a prize if she's not actually a winner. I've seen a copy of an email from a member of the bank's management staff confirming that Ms W's entries into the draw were not selected for March or April 2025. The competition terms and conditions explain that winners are drawn at random using a secure process under independent supervision, so I am persuaded it is more likely than not that Ms W's entries did not win a prize for March or April 2025. The terms and conditions also say that the decision of bank as to who is a winner is final, and no correspondence or discussion will be entered into.

The notifications Ms W received were because of a technical error. In the call recordings I have listened to, Ms W feels let down by Co-op. She suggests the bank has a moral obligation to honour payment. I do appreciate she'd been given false hope that she'd won at least £1,000 and anyone in this position would be upset to learn they'd not won anything after all. I understand the additional money could have been helpful to Ms W and would have relieved the financial pressure of having to take an expensive flight at short notice. But I'm mindful Ms W didn't suffer any direct financial loss in anticipation of receiving winnings. As she told the bank's advisor when she first called to query the situation, she was aware that she couldn't actually spend the money until she could see it in her account. The whole reason for Ms W contacting the bank in the first place was to raise that no payments had been received.

Co-op wasn't aware it had sent these notifications to Ms W until she got in touch to query what was happening and the mistakes eventually came to light. The bank didn't seem to have a clear process for this exact situation and Ms W was feeling increasingly "*fobbed off*" with the bank's changing explanations. The trepidation in the bank advisor's voice that broke the news that Ms W had not won a prize in 2025 was audible. Whilst Ms W feels Co-op could and should have handled things better, it was a delicate situation with ultimately difficult news for the advisor to give and equally difficult news for Ms W to hear.

I agree Ms W has been caused a loss of expectation, and that she didn't know where she stood whilst Co-op looked into things. For this, an apology alone isn't enough, and it is appropriate for the bank to pay compensation to recognise its mistakes have caused Ms W distress. But I think the £150 compensation the bank has already offered to recognise the emotional impact of its actions is fair and is in line with the type of awards this service would typically recommend. I know Ms W feels strongly that Co-op should be made to honour its word. But. I'm unable to fairly say that Co-op should pay her the equivalent of a competition prize when, strictly speaking, Ms W was not a winner. I'm also not a regulator and I'm unable to recommend an increase in compensation in order to fine or punish Co-op for its mistakes.

I know my outcome will not feel fair to Ms W. Whilst I recognise her disappointment, I think the bank's offer of compensation was a reasonable attempt to recognise its mistakes.

My final decision

THE CO-OPERATIVE BANK P.L.C has already made an offer to pay £150 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that THE CO-OPERATIVE BANK P.L.C should pay £150 to Ms W if it has not already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 14 January 2026.

Claire Marsh
Ombudsman