

The complaint

Miss M complains that a technical error forced her account with The Co-Operative Bank Plc (Co-op) into an unauthorised overdraft and the balance hasn't been correctly restored.

What happened

Miss M's account was impacted by a known incident, which caused incoming credits due to be paid into her account on 12 August 2025, to not be applied.

Miss M says Co-op failed to restore her balance correctly, and the technical error resulted in £514 going missing from her account. Co-op said this wasn't the case, and Miss M's credits were applied overnight, which corrected the balance on her account. It offered Miss M £300 compensation for the distress and inconvenience caused by the incident.

Our Investigator reviewed matters and thought Co-op's offer was fair. They were satisfied Co-op had resolved the incident and applied the missing credits to Miss M's account. And having reviewed her account statements, they were satisfied the balance on her account was correct, accounting for the transactions she'd made.

Miss M didn't agree and maintained her balance was short by £514. As no agreement was reached, the matter was passed 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.

I think it's firstly important to explain I've read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a reasonable outcome is. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

It's not disputed here that there was an incident that resulted in credits due to be paid into Miss M's account not to do so on 12 August 2025. Co-op also accepts it could've provided a better service when Miss M contacted them to resolve this. As such, I'm satisfied that I don't need to consider the merits of this issue within my decision because both parties agree an error occurred. What remains in dispute here is whether Co-op fairly resolved the matter for Miss M, and restored her account balance correctly, so this is what I've thought about.

I asked Co-op to provide a copy of the ledger for Miss M's account – and I acknowledge Miss M's strength of feeling that this would evidence the shortfall she reports. Co-op say it's unable to provide this, which is disappointing. However, I've carefully reviewed the evidence available, including Miss M's calculations, her account statements and Co-op's internal

account records. Having done so, I'm satisfied I have enough information to reach a fair outcome on this complaint.

The incident doesn't seem to have impacted transactions debited from Miss M's account on the 12 August 2025 – and she made several transactions that debited her account on that day. These reduced her balance significantly before the missing credits were reapplied to her account. These all appear to be genuine transactions that are consistent with Miss M's previous activity, and I haven't seen that she has disputed any of these transactions. Neither has she specified any further credits she expected to reach her account on that day that haven't been recredited.

Both Co-op and this service have set out to Miss M how her balance had been calculated correctly, so I won't repeat this again here. Having carefully reviewed all the evidence available, I'm satisfied these calculations are correct and I've seen no evidence of an ongoing discrepancy. So, I'm unable to agree Co-op hasn't put things right for Miss M following the incident, or that she has been left out of pocket by £514.

It's also important to note that the amount Miss M went overdrawn by exceeded the total amount of the credits that went missing due to the incident. Miss M says her account doesn't include an overdraft facility, which supports the account went overdrawn due to a technical error rather than her spending. It's correct that Co-op don't offer arranged overdrafts on the type of account Miss M holds, but this doesn't mean it's not possible for the account to become overdrawn through spending. The terms and conditions of Miss M's account say:

“13. Overdrafts

13.1 We do not offer arranged overdrafts on the Cashminder account, so you should not spend more than the available amount in your account.

13.2 In certain circumstances, we may allow a payment to be made from your account despite there being a lack of funds in your account to cover the payment in full. Making the payment will cause your account to become temporarily overdrawn (on an unarranged basis).”

Miss M says her spending habits have remained consistent before and after the error, with the only irregularity causing her to go overdrawn happening at that time. She says the missing credits were therefore used to repair an overdrawn balance that shouldn't have existed, and only did because of the error. However, I've explained why I'm satisfied the overdrawn balance was correct based on Miss M's spending and available funds at the time - although I accept the missing credits would've made it more difficult for her to track her balance on the account.

I also agree Co-op could've provided a better service when Miss M contacted them about the issue. Having carefully considered the offer made by Co-op, and the overall circumstances of this complaint, I'm satisfied £300 compensation fairly reflects the impact caused - and within our award ranges for situations such as this.

As I haven't seen any evidence or calculations that persuades the technical error resulted in £514 being deducted from Miss M's account, or that Co-op failed to restore her balance correctly, I won't be asking Co-op to do anything more.

My final decision

The business has already made an offer of £300 compensation to settle the complaint, and I think this offer is fair in the circumstances.

So, my final decision is that The Co-Operative Bank Plc should pay Miss M £300, if it hasn't

already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 9 January 2026.

Nicola Bastin
Ombudsman