

## **The complaint**

Mr B complains THE CO-OPERATIVE BANK P.L.C. allowed his basic bank account to go overdrawn. He complains that this has damaged his credit score.

## **What happened**

Mr B has an account with the Co-operative Bank – it's a basic account. He has an account elsewhere too.

Mr B made an online purchase on 17 May 2025. He had £40 in his account at the time and the item he purchased cost £230. The online purchase debited his account on 19 May 2025 causing Mr B to go overdrawn.

Mr B says he didn't discover he'd gone overdrawn until 30 May 2025 when he logged into his online banking. He says he cleared the overdraft straightaway and then complained to the Co-operative Bank saying it shouldn't have allowed him to go overdrawn.

The Co-operative Bank looked into Mr B's complaint but didn't uphold it. It said that the terms and conditions of Mr B's account allowed for informal overdrafts, so it had done nothing wrong. Mr B was unhappy with the Co-operative Bank's response and so complained to our service. He complained that the Co-operative Bank had not only allowed his account to go overdrawn but had also registered adverse information against his credit file.

One of our investigators looked into Mr B's complaint but didn't recommend that it be upheld. Mr B wasn't happy with our investigator's recommendation and asked for his complaint to be referred to an ombudsman for a decision. His complaint was, as a result, passed 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.

Last month I issued a provisional decision saying that I didn't think the Co-operative Bank had done anything wrong when it allowed the online payment in question to go through even though I agreed with Mr B that it would have been more helpful if it had declined the payment. I went on to say, however, that I didn't think the Co-operative Bank had acted fairly and reasonably in this particular case when it recorded adverse information against Mr B's credit file. I said:

*“Mr B has told me that he didn't find out he'd gone overdrawn until he logged into his online banking on 30 May 2025. He's also told me that he received no notifications from the Co-operative Bank that he'd gone overdrawn or any correspondence saying that he needed to clear his overdraft otherwise adverse information would be recorded against his credit file. In addition, he's told me that he had enough money in his other account to cover the payment. Mr B has evidenced all of this – and I can see he cleared the overdraft the same day he logged into his online banking.*”

*Because the Co-operative Bank didn't notify Mr B that he'd gone overdrawn and that it would record adverse information against his credit file if he didn't clear his overdraft – in other words, because the Co-operative Bank didn't give Mr B an opportunity to put matters right and because he could have done – in this particular case I don't think the Co-operative Bank acted fairly and reasonably when it recorded adverse information against Mr B's credit file. I can see the Co-operative Bank has also explained why the payment went through and that in part this was down to the merchant not following the correct authorisation process. I've taken that into account too when concluding that it doesn't feel fair that Mr B should have adverse information on his credit file."*

Both parties were invited to reply to my provisional decision. Both did. Mr B accepted. The Co-operative Bank didn't – it said that Mr B accessed his account online several times before 30 May 2025 and would, as a result, have been aware that his account was overdrawn but didn't clear his overdraft until 30 May 2025. The Co-operative Bank said that he should have reasonably been aware that the transaction in question would have resulted in him going overdrawn.

Having considered everything both parties have said, including the fact that Mr B had sufficient funds to clear the overdraft at the time, I remain of the view that it wasn't fair and reasonable of the Co-operative Bank in this particular case to record adverse information against his credit file as the Co-operative Bank didn't notify Mr B that he'd gone overdrawn and that it would record adverse information against his credit file if he didn't clear his overdraft – in other words, because the Co-operative Bank didn't give Mr B an opportunity to put matters right.

### **Putting things right**

Given the above, I remain of the view that the Co-operative Bank should remove the adverse information it's recorded against Mr B's credit file and pay him £200 in compensation.

### **My final decision**

My final decision is that I uphold this complaint and require THE CO-OPERATIVE BANK P.L.C. to remove the adverse information it has recorded on Mr B's credit file and pay him £200 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 February 2026.

Nicolas Atkinson  
**Ombudsman**