

The complaint

Mr S complains that The Co-operative Bank Plc ('Co-op Bank') didn't provide the service it should have when he opened a current account.

What happened

On 4 February 2023, Mr S applied for a current account with Co-op Bank. He received a welcome pack telling him his account was open and he was provided with his account details to register for online banking. Mr S did this and received his account documents including debit card and PIN. Given this he made arrangements for an account switch and to start using the account.

On 12 February, Mr S says he couldn't log on to mobile banking and was asked to call the customer services centre. When he did this, he was told he would need to visit a branch with his identification documents. Mr S explained he lives a long way from a branch and would need to take time off work to do this but says he wasn't given any alternative options. Mr S visited a branch and was told his account would be unblocked on 16 February but on that day, he still couldn't access his account. Mr S raised complaints about the service he had been provided and also that his telephone banking PIN had been set up when there was a question over his identity. He says he didn't get a satisfactory response to these.

Co-op Bank said that Mr S's account was opened on 6 February but on 9 February it had concerns about a possible identity theft. It issued a letter to Mr S and secured the account and applied a note to say he needed to visit a branch with his identification. It said this was bank policy and was explained to Mr S on the call on 14 February where Mr S's complaint was raised and resolved.

Our investigator didn't uphold this complaint. They said the block was applied to Mr S's account due to concerns about a possible fraud. They did think the telephone banking PIN shouldn't have been set up when there was a fraud concern on the account but as Mr S hadn't been disadvantaged because of this they didn't require Co-op Bank to pay him any compensation.

Mr S didn't agree with our investigator's view. He said his key complaint wasn't about needing to visit a branch but about how Co-op Bank treated its customers as well as its security practices. He said his complaint hadn't been handled properly and reiterated his concerns about the telephone banking PIN being set up when there was a fraud alert on his account.

My provisional conclusions

I issued a provisional decision on this complaint the details of which are set out below.

Mr S set up a current account with Co-op Bank. However, after the account was set up there was a fraud alert due to concerns about a possible identity fraud. Because of this action was taken to protect Mr S's account and he was asked to visit a branch with identification. Banks are required to have fraud prevention measures in place and while these can cause

inconvenience (and I note the comment about limited branches) as the systems are in place to protect customers, I do not find I can say Co-op Bank was wrong to take the action it did.

Regarding the telephone banking PIN Co-op Bank has accepted that it made a mistake. It said that when Mr S called, he should just have been referred to a branch with identification and not set up a telephone banking PIN. When a business makes a mistake, our role is to ensure the customer is put back in the position they would have been had the mistake not been made and, where appropriate, award compensation. In this case, while the telephone banking PIN shouldn't have been set up at that time due to the concerns about Mr S's account, as this issue hasn't disadvantaged Mr S I do not find that Co-op Bank is required to take any further action in regard to the telephone banking PIN.

I note that Mr S has said his key complaint wasn't about needing to visit a branch but the service he received. In this case, I agree that the service provided wasn't as it should have been for the following reasons:

- Mr S had his telephone banking PIN set up when it shouldn't have been. And while this didn't disadvantage him, this was an error, and I can understand why this raised concerns for Mr S about Co-op Bank's security processes.*
- On the call on 14 February, Mr S raised a complaint about needing to visit the branch and the lack of communication about his account. He then said he couldn't visit the branch unless he took a day's leave. The adviser said that the complaint would be registered, and feedback provided, and the complaint upheld but that the visit to the branch is bank policy. Mr S was told he would get a letter with the complaint details, but it isn't made clear his complaint is considered resolved. Mr S raised further issues and received an email from Co-op Bank saying it didn't consider the points raised to be new and that the issues had been fully addressed in the complaint resolved on 14 February. Having looked at the points Mr S raised on 17 February these included the issues he had discussed on the call on 14 February but also new concerns about the telephone banking PIN being set up and the service he had received after visiting the branch. Therefore, I don't think that Co-op Bank provided the service it should have done in response to the concerns raised by Mr S.*
- On the call on 16 February, Mr S explains the process he has been through to try to get his account unblocked. While the visit to the branch was part of the bank's process, Mr S was told the block on his account would be removed on 16 February, but this didn't happen, so he had to call again. Mr S says that the adviser was curt with him on the call, and he was then told there were no notes on his account about his visit to branch causing Mr S further stress and inconvenience. So, while I do not find that Co-op Bank was wrong to request Mr S to visit the branch, I find it didn't provide the service it should have done after this to unblock his account.*

Overall, I do not find that Co-op Bank provided Mr S with the service it should have through the account opening process and when he raised his concerns about this. Because of this I find that Mr S should be paid compensation for the trouble and upset he has been caused. When considering the amount of compensation, I have taken into account the calls Mr S made after he had visited the branch and been told his account would be unblocked and the upset he was caused by his concerns about the security issue and other complaints not being addressed. Against this I have accepted that Co-op Bank didn't do anything wrong by asking Mr S to visit the branch following the fraud alert and that it was able to unblock his account on 16 February. Given this, I think compensation of £50 is reasonable.

Co-op Bank accepted my provisional decision and Mr S confirmed that he had nothing further to add. Therefore, I am now able to issue 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.

As no new information was provided in response to my provisional decision, my conclusion hasn't changed. That is, that I do not find that Co-op Bank provided Mr S with the service it should have done through the account opening process and when he raised concerns about this. In recognition of this, and as agreed by Co-op Bank, I am upholding this complaint in regard to the service Mr S received and find Mr S should be paid £50 compensation for the upset and inconvenience he has been caused.

Putting things right

The Co-operative Bank Plc should pay Mr S £50 for not providing the service it should have when Mr S was trying to resolve issues with his account being blocked.

My final decision

My final decision is that I uphold this complaint. The Co-operative Bank Plc should take the actions set out above in resolution of 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 November 2023.

Jane Archer
Ombudsman