

The complaint

Mr and Mrs G complain that The Co-operative Bank Plc (“Co-op”) refused to pay the £125 refer a friend (“RAF”) incentive offer to them.

What happened

In February 2023 Co-op relaunched its existing RAF scheme - an iteration of which had been in place since November 2020. The scheme offers both the referrer and referred £125 if the ‘friend’ opens an account with Co-op.

Mrs G benefitted from the scheme in January 2023 and received a £125 payment for opening an account which she then switched out a couple of weeks later.

Mrs G then opened another account in February (the following month) and wished to take advantage of the relaunched scheme. Mr G was an existing customer and the ‘recommender’. Both expected to receive £125 under the scheme.

Co-op refused to make the payment as the terms and conditions allow for the recommended friend to only receive one payment and Mrs G had already benefitted from the scheme in January.

Mr and Mrs G were unhappy with this and brought their complaint to this service. Mr and Mrs G say that the RAF application was valid because it was for a new offer and that the £125 received in January was a previous offer. So they believe they qualify for the incentive for the new period.

One of our investigators looked into Mr and Mrs G’s concerns and didn’t think that Co-op had treated them unfairly in refusing to make a second incentive payment because Mrs G had already benefitted from the scheme. They thought the terms and conditions made this clear and didn’t think the scheme was designed for it to be possible for customers to benefit on multiple occasions.

Mr and Mrs G disagreed and have asked for an ombudsman’s 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.

Having considered everything provided, I’ve decided not to uphold Mr and Mrs G’s complaint.

My role is to look at the problems Mr and Mrs G have experienced and see if Co-op has done anything wrong or treated them unfairly. If it has, I would seek – if possible - to put Mr and Mrs G in the position they would’ve been in if this hadn’t happened - in this case direct Co-op to pay them the £125 incentive.

Mr and Mrs G are unhappy Co-op refuse to pay them the £125 they believe is due to them under the RAF scheme for when Mrs G opened an account in February 2023.

Mrs G benefitted from the RAF scheme and received a £125 payment in January 2023.

The terms and conditions at 3.6 say:

“The Recommend a Friend is entitled to only one payment even if they switch more than one account to us or if more than one Recommender refers them.”

Mr and Mrs G think that this is only relevant to the particular offer period as there is nothing to explicitly state otherwise. But I disagree. It might not explicitly state you can't benefit twice over more than one offer period, but nor does it say you can. And ultimately, I don't think exploiting this omission in the terms and conditions is in the spirit of the scheme.

I think a reasonable person would likely understand that the purpose of such schemes is to attract new customers and their business and not to have customers switch bank accounts back and forth to capitalise on the incentive payments. Indeed, the Co-ops terms and conditions also cover this type of situation and allow it to withhold any payment where it has reasonable grounds for suspecting a customer of materially abusing or profiteering from the offer. So I think it would be unfair to penalise Co-op in situations such as this and ask it to make a further payment to Mrs G when she has already benefitted.

So overall and having considered everything I don't think Co-op has done anything wrong or treated Mr and Mrs G unfairly and so I do not uphold their complaint.

My final decision

For the reasons I've explained, I do not uphold Mr and Mrs G's complaint against The Co-operative Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs G to accept or reject my decision before 27 November 2023.

Caroline Davies
Ombudsman