

The complaint

S, a limited company, complains about the way The Co-operative Bank Plc (“Co-op”) dealt with an application it made for an account.

S has been represented in the complaint by one of its directors, Mr J.

What happened

S applied for an account with Co-op. The following day, Co-op messaged Mr J to say that S didn’t qualify for the particular type of account, as it was designed for companies with a single director. It said S had more than one registered director, and said it needed to apply for a different account. Alternatively, it said that if the details registered at Companies House were incorrect, Mr J could update them and the application could then proceed.

Mr J says he told Co-op that he’d make the necessary changes straight away and asked it to keep the application open. But he says that within a matter of hours, Co-op told him it hadn’t received a response within 30 days and it was closing the application. Mr J has told us that in the event, S opened an account with another provider, without the need to change the company details.

One of our investigators considered the complaint, but didn’t think it should be upheld. In summary, she said that S had applied for an account for which it wasn’t eligible. So she didn’t think Co-op had made a mistake in closing S’s application. She accepted that Co-op’s communications with Mr J had been confusing, and in places inaccurate, and that Mr J had found this frustrating. But she explained that as the complaint was made by S, she couldn’t award compensation to Mr J personally.

S disagreed with the investigator’s view, so the complaint’s been 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.

Having done so, I’ve reached the same conclusion as the investigator, for similar reasons.

The account that S applied for was available to sole traders and companies with a single director. The records held by Companies House showed, and still show, two directors for S. So S wasn’t eligible for the account.

In messages to S, Co-op sometimes referred to there being more than one director and sometimes to there being more than one shareholder. When Mr J pointed this out, Co-op clarified that it should have referred to directors throughout.

I accept that Co-op was inconsistent in its references to directors and shareholders. It’s also not clear to me why it referred to not having heard from S for 30 days. I can understand that this frustrated and upset Mr J. However, I can only make an award that recognises the impact of wrongdoing by a financial business on an eligible complainant. In this instance, the

eligible complainant is S, a limited company, rather than Mr J or any other individual. And a limited company can't experience distress or frustration.

I can consider any inconvenience caused to S. But I've seen no evidence to support what Mr J says about having asked Co-op to keep the application open. And even if Co-op closed S's application without giving Mr J a reasonable amount of time to amend S's records at Companies House, I'm not persuaded that having to reapply for the account would have caused S material inconvenience. As it was S decided to leave things as they were, with two directors, and it opened an account elsewhere.

I know that Mr J will be disappointed with my decision. But for the reasons I've set out, I can't uphold S's complaint.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 14 May 2024.

Juliet Collins
Ombudsman