

The complaint

Mr H complains that The Co-operative Bank Plc failed to provide the necessary information to allow cashback to be credited to his credit card account.

What happened

Mr H opened a cashback credit card account with The Co-operative Bank in early 2023. The account offers cashback on certain purchases.

Mr H wanted the cash back to be added to his credit card account but said that The Co-operative Bank was preventing this from happening because it had not sent the membership team at the Co-operative Group Limited (the Co-op) the information it needed.

After Mr H complained to The Co-operative Bank it said that it had sent the relevant information to the membership team but that it could take up to six months to receive payment. The Co-operative Bank then told Mr H that cashback builds up each month and is redeemed in June and December each year. So, he could expect the £9.04 which was redeemed in June 2023 to be paid in December. The Co-operative Bank said it would be paid either in vouchers or by bacs transfer to his nominated account. The Co-operative Bank suggested that if Mr H wasn't sure which payment method he had chosen, he should contact the membership helpline.

Our investigator didn't uphold Mr H's complaint and issued two views to explain why. In his first view, our investigator explained that cashback was redeemed on Mr H's July 2023 statement and that he could next expect to see cashback for the second half of 2023 credited in January 2024. Our investigator was satisfied that The Co-operative Bank had fulfilled its obligations by reporting the cashback earned and sending the information to the Co-op. He explained that delivering the payment was the responsibility of the Co-op, not The Co-operative Bank.

Mr H responded to say that the cashback rewards for January to June 2023 had not been credited to his credit card account as requested. Instead, the Co-op sent him vouchers to be used in store. Mr H said it remained uncertain whether his cashback rewards for July to December 2023 would be credited to his credit card account so asked for his complaint to remain open until early 2024.

Mr H referred to the FCA Principle of treating customers fairly, asking how the Financial Ombudsman Service had implemented that principle when handling his complaint.

As Mr H disagreed with the investigation outcome our investigator issued a second view to deal with the fact the Co-op sent him vouchers rather than the credit he had requested.

Our investigator said that Mr H would need to speak with the Co-op, rather than The Co-operative Bank about the payment method he preferred. Our investigator said that The Co-operative Bank's website provides contact details for the Co-op membership team. Our investigator didn't think The Co-operative Bank made a mistake with its processes so he still didn't uphold Mr H's complaint.

Mr H remains unhappy with the way his complaint has been handled by our investigator. He wants to see what evidence our investigator has relied on and wants an answer to his question on the FCA Principles. Mr H asks why The Co-operative Bank has not provided the Co-op membership team with details of his transactions.

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 appreciate that I have summarised this complaint in less detail than the parties and that I have done so using my own words. The rules that govern the Financial Ombudsman allow me to do so but this does not mean I have not considered everything that both parties have given to us.

I know that Mr H disagrees with our investigator's assessment of his complaint. But the purpose of my decision is not to address or answer every single point raised. Instead, my role is to consider the evidence and reach what I think is a fair decision.

It may also help to explain that although The Co-operative Bank is responsible for Mr H's credit card account, the membership scheme is run by a separate entity, the Co-op. I can only consider Mr H's complaint as it relates to the actions of The Co-operative Bank.

It seems to me that the crux of Mr H's complaint is that he thinks The Co-operative Bank failed to or refused to provide the Co-op with details of his transactions so that cashback could be credited to his account. I am sorry Mr H feels this way but I don't think this is what the evidence suggests happened.

The cashback scheme rules for Mr H's credit card account say that The Co-operative Bank will "notify cashback earned to the Co-op for payment (twice a year) and show the cashback notified on your credit card statement for that statement period." The rules go on to explain that customers can redeem their cashback in accordance with the Co-op Membership terms and conditions, with more information available on the Co-op website. So, when I am considering whether The Co-operative Bank made a mistake or treated Mr H unfairly, I have these scheme rules in mind.

Mr H's credit card statement from July 2023 includes a summary of cashback earned up to June 2023 totalling £9.04. So, I think The Co-operative Bank fulfilled its obligation to show the cashback notified on Mr H's credit scheme.

The same credit card statement says that The Co-operative Bank will notify the Co-op of the calculation. I am satisfied that The Co-operative Bank notified the Co-op of the cashback earned in accordance with the cashback scheme rules. I say this as Mr H confirms he received vouchers totalling £9.04 from the Co-op in November 2023. The Co-op could not have done this without the cashback information from The Co-operative Bank. This makes it unlikely that The Co-operative Bank failed to notify the Co-op as Mr H suggests.

I appreciate that Mr H expected to receive the cashback as a credit to his credit card account so continued to tell The Co-operative Bank that he'd not received the cashback. Because of this, The Co-operative Bank tried to manage his expectations by saying that cashback earned would not be paid until December 2023 as payments are made six months in arrears. However, I can't see that Mr H told The Co-operative Bank that the Co-op sent him the vouchers in November 2023. So, The Co-operative Bank continued to assume Mr H had not received the cashback when this wasn't the case. I think this may have caused some confusion but I don't think this was because of something The Co-operative Bank did wrong.

The Co-operative Bank told Mr H in its final response letter of August 2023 that he would receive payment of the cashback in the same way he received the rest of his share of the profits – in vouchers, by bacs transfer to his nominated account or given to charity. So, I can't say The Co-operative failed to tell Mr H how his cashback would be credited. It gave him a contact number at the Co-op to speak with the membership team to find out how cashback would be credited. Again, I think this was fair.

As I've said above, the redemption of cashback is a matter for the Co-op, not The Co-operative Bank. When Mr H applied for membership with the Co-op, he would have specified how he wanted to be paid out. If Mr H wants to receive the cashback to a nominated account, he should contact the membership team at the Co-op on the number The Co-operative Bank has provided.

I can see that The Co-operative Bank paid Mr H £20 as a gesture of goodwill for the calls he'd made. As, I am satisfied that The Co-operative Bank fulfilled its obligations under the cashback scheme rules and as I don't think it treated him unfairly, I'm not asking it to take any further action in response to Mr H's complaint. I understand that this is likely to come as a disappointment.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 30 May 2024.

Gemma Bowen
Ombudsman