

The complaint

Mr and Mrs F complain that The Co-operative Bank Plc ('Co-op') failed to provide the appropriate level of customer service when they had to complain to them after falling victim to a scam.

What happened

The circumstances of this complaint are well-known to both parties, so I will not go into every detail of what happened here. But in summary, in September 2022 Mr and Mrs F got in touch with Co-op having noticed fraudulent activity on two accounts held with them. Co-op concluded that they had fallen victim to a complex and sophisticated account takeover fraud and did refund the losses in October 2022, but Mr and Mrs F complain that the service they received in this time did not meet the expected standards.

Mr and Mrs F explained that the Co-op fell way short of their expectations. They explained that the Co-op failed to communicate with them or provide them updates whilst they were investigating. They were left unclear as to how long the investigation would take, whilst being unable to access their money and unclear as to whether they would ever get the money back. The funds amounted to over £22,000 which they explained would be increasingly important for them to rely upon in their advancing years, so Co-op's actions and omissions made the already difficult situation feel intolerable.

Co-op reviewed the service they had provided at the same time they offered to reimburse Mr and Mrs F's losses. They agreed that Mr and Mrs F were not offered the appropriate level of customer service and paid £100 on top of the refund in recognition of the distress and inconvenience caused. Mr and Mrs F were not happy, so came to our service. Co-op reviewed what had happened again – and increased their offer to £300 in recognition of the distress and inconvenience they had caused Mr and Mrs F.

Our investigator looked into what had happened and recommended that the offer of £300 was fair and reasonable in the circumstances of the complaint. Mr and Mrs F did not agree. They did not think £300 adequately compensated them for the stress caused by not having access to the funds and not knowing if they would be refunded, along with the lack of communication.

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 have come to the same conclusion as our investigator, for broadly the same reasons. I'll explain why.

It is clear that Co-op did come to an outcome that Mr and Mrs F accepted, but the journey to getting to a decision in their case clearly added to their worries at a very difficult time. It is also clear that the Co-op agree they could have done more – hence their offer of £300.

I have reviewed the evidence provided by both parties and I do agree that Mr and Mrs F were not provided with the level of service I would expect. I can see that this meant, amongst numerous other errors, that Mrs F spent time having to wait around in a Co-op branch to report the fraud whilst she was incredibly distressed. It also led them to expending

time and effort calling and writing to Co-op in an attempt to get information that should have been forthcoming from Co-op. They did not have access to their accounts – and they did not know how long this would be the case for. They were incorrectly told that they could access one account which they could not – and had to move money to another account they had access to. There were instances when they were able to get information from the Co-op that it was incorrect or misleading – including around whether Co-op had contacted the business where some of the funds were moved to. Whilst these kinds of investigations do sometimes take weeks to consider, there were delays which meant that the investigation took longer than it could have done. And ultimately, I cannot see that they were provided with clear explanations along the process about what they could expect – which meant they were not even clear whether there was any likelihood of having their funds returned to them.

It is clear the fraud had a huge impact on Mr and Mrs F. Mrs F described being able to think of nothing other than the fraud from waking up in the morning, to the often-sleepless nights. Mr and Mrs F had recently retired, and these funds were of great importance to them. Not knowing if they were going to get the money back over the weeks Co-op considered their fraud report meant they even considered whether they would have to return to work.

Unlike some of the complaints our service considers, there is a third party involved here – the fraudster themselves. And so, as a starting point, I have to consider the fact that a significant amount of the responsibility for the distress caused to Mr and Mrs F lies with the fraudster themselves here. But that is not to say that Co-op could not have done more to prevent further distress being caused. I have carefully considered everything that happened, and whilst no amount of money can give Mr and Mrs F those weeks back or take away how difficult they were, I do think that the offer of £300 in recognition of this distress and inconvenience caused by the Co-op themselves was reasonable in the circumstances.

I am sorry as I know this was not the answer Mr and Mrs F wished for, but I will not be asking Co-op to do anything further.

My final decision

The offer made by the Co-operative Bank Plc was fair and reasonable in the circumstances, and so they must pay Mr and Mrs F the further £200 if they have not already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Mrs F to accept or reject my decision before 25 October 2023.

Katherine Jones
Ombudsman