

## **The complaint**

Mrs R complains that The Co-operative Bank Plc (Co-op) refused her claim for a bonus under the Refer a Friend scheme.

Mrs R is represented in this complaint by her grandson. But, for ease, I'll refer to Mrs R throughout.

## **What happened**

In November 2022 Mrs R was referred for a bonus under Co-op's Refer a Friend scheme. Co-op decided she had a valid claim and paid her £125 under the scheme. Mrs R switched her account out of Co-op in December 2022. She opened a new account with Co-op in February 2023 and she was again referred for a bonus under the Refer a Friend scheme. Co-op refused. It said she'd already benefited from the offer and the terms and conditions of the scheme said she could only receive one such bonus payment.

Mrs R complained. She acknowledged she'd received a payment in December 2022 but that offer had ended and Co-op had then opened a new incentive in February 2023. She said the terms and conditions made no reference to any previous offers and she thought it was reasonable to interpret each offer as being separate and independent of each other. Co-op maintained its decision and said it had acted in line with the terms and conditions of the scheme.

Our investigator didn't uphold the complaint. They said the Refer a Friend scheme had been operating since November 2020 and the February 2023 offer wasn't a new incentive but a relaunch of the same scheme with some amendments.

They also noted Co-op had referred to part of the terms and conditions that said it could withhold payments if they had reasonable grounds to suspect the applicant was seeking to materially abuse or profiteer from the offer.

Mrs R didn't agree with the investigator's view and asked for her complaint to be referred to an Ombudsman for a decision. I came to a different conclusion to our investigator, so I sent a provisional decision to Mrs R and Co-op to give them an opportunity to comment. Both parties said they had nothing further to add, so my findings and my decision below are substantially the same as set out in my provisional 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.

The terms and conditions of the Refer a Friend scheme say the following:

*“The Recommended 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.”*

Co-op has said the Refer a Friend scheme has been operating since February 2020 and the terms and conditions have been amended on several occasions since then. It said the scheme was relaunched in February 2023 and this was not a new offer or a new scheme. It also said it didn't consider Mrs R to be a new customer just because of the change of account details as her profile was linked to the previous closed account.

Mrs R's argument is that the terms and conditions don't clearly say that the scheme is for new customers who have not been referred before or who are not returning customers. She says there's nothing in the terms and conditions or the literature accompanying the scheme to say whether the offer is a relaunch of a previous one or a new offer. Mrs R also noted that being an existing customer of Co-op didn't make her ineligible for the scheme – the terms and conditions only state that the recommended friend must open a new current account and complete a full switch from their old account. And its webpage simply said that the person being referred would qualify if they don't have a Co-op current account. Mrs R didn't have an account in February 2023 before she was referred for a bonus.

Co-op has a responsibility to provide information to its consumers that is clear, fair and not misleading. Mrs R doesn't think the terms and conditions of the Refer a Friend scheme are clear. And, on balance, I agree. Co-op has said the scheme is one scheme that's been re-launched and amended over the last three years. It seems its intention is to restrict a consumer to one payment throughout the course of the whole scheme.

But I don't think that is set out clearly in the terms and conditions. They simply say the Recommended Friend is only entitled to one payment. They don't say over what time period and there's no reference to previous terms and conditions or relaunches of the same scheme. I also think the terms and conditions are unclear about the eligibility of returning customers. In my view, the terms are ambiguous and could be interpreted either way. And, as such, I don't think they meet the test of being clear, fair and not misleading.

Co-op has also referred to another part of the terms and conditions, which say:

*“We reserve the right to withhold any payment (or to reverse any payment already made) where we have reasonable grounds for suspecting you have sought to materially abuse or profiteer from the offer. For example, this may arise if we have grounds for believing that you have sought to engage in a marketing campaign to solicit applications from individuals who are not from within your family or immediate circle of friends.”*

Mrs R noted the example given in the above terms and conditions and pointed out that the recommender in this case was her grandson. So, she could not see how that could apply. For its part, Co-op hasn't provided any evidence to suggest that Mrs R has sought to materially abuse or profiteer from the offer either. And so, in the absence of any evidence to show Mr R has profiteered or materially abused the scheme, I don't think Co-op can rely on this term to refuse her claim.

### **Putting things right**

In light of the above, I don't think Co-op has acted fairly or reasonably in refusing Mrs R's claim for a bonus under the Refer a Friend scheme. To put things right, I think Co-op should pay Mrs R the £125 she claimed under that scheme.

While Mrs R said the person who recommended her for the bonus (her grandson) also lost out, they are not party to this complaint and so I cannot make a decision on that matter.

### **My final decision**

For the reasons given above, my final decision is that The Co-operative Bank Plc should pay Mrs R £125 under the Refer a Friend scheme.

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

Richard Walker  
**Ombudsman**