

The complaint

P a limited company, complains the Co-operative Bank Plc unfairly closed its bank account, delayed transferring funds and providing information.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here. P is represented by Mr P, so I will refer to both in my decision.

On 24 March 2023 Co-op received notification of P's intention to move over to another bank. The switch would be made using the Current Account Switching Service (CASS). Co-op acted on this instruction and the accounts of P were closed in line with the CASS process. Mr P says the accounts shouldn't have been closed by Co-op.

Upon closing the accounts, the funds within the accounts were transferred over to the new bank accounts. However, P complained as there a delay in transferring all the funds held by P. Mr P says he had to spend time chasing Co-op to complete the transfer.

Mr P also raised concerns about alleged delays in Co-op providing information about P's accounts. Mr P says this information was required for its tax filing, and the delays by Co-op have resulted in penalties which he says Co-op should compensate P for.

Mr P brought his complaint to our service. An Investigator requested information from Co-op, and it confirmed it had completed a review of Mr P's concerns and didn't agree it had handled P's request unreasonably. It explained it actioned the switch request and that it was standard practice for the accounts to be closed after this. It also maintained that it had transferred the remaining funds within a reasonable timeframe. It explained the request for account information was handled correctly, and it didn't cause undue delay.

The Investigator reviewed the available evidence and didn't uphold P's complaint. They found that Co-op had actioned the account switch in line with the terms of the service and there hadn't been any avoidable delays in the service it provided to P.

Unhappy with the Investigator's review, Mr P asked for an ombudsman to consider the complaint.

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 overall conclusion as our investigator. I acknowledge Mr P will be disappointed, so I will explain why.

CASS and account closure

Mr P decided to move P's account from Co-op to a different bank using the CASS service. Co-op received notification on 23 March 2023 of the switch, and this was to take effect on 31 March 2023. I understand Mr P has complained the Co-op accounts were closed down, and this shouldn't have happened. I've considered the terms of the CASS scheme rules and it specifies that using this service means the old account is closed down. If a customer wishes for the account to remain open, then the CASS isn't the appropriate service to use.

I appreciate the closure of the Co-op accounts wasn't anticipated by Mr P, but as noted this is standard procedure when using the CASS service. P would've had to use alternative means to transfer accounts if it wanted the Co-op accounts to remain open. It would also have been for P's new account provider to explain the process and ensure Mr P was fully aware of how the switch would work. I can also see Co-op issued P a letter on 24 March 2023, explaining that the Co-op accounts be closed following the switch. So based on the available evidence, I don't think Co-op acted unfairly in closing P's accounts, as it was acting in line with the CASS scheme rules.

Delays in transferring funds

As part of the CASS process P's funds were moved from Co-op to the new bank. Mr P says Co-op delayed the transfer of funds, and he had to spend time contacting the Co-op to ensure all the funds were released.

Co-op has provided details of P's account holdings. The switch to a new provider occurred on 31 March 2023. At this point a residual amount remained at Co-op and this was transferred over on 5 April 2023. I appreciate Mr P was keen for the funds to be transferred immediately and so I've considered Co-op's explanation for the delay.

Co-op says on 31 March 2023 a director of P arranged a transfer from the savings account of P to the current account of P via online banking. This request was made after the full balance of the accounts was due to be moved over to the new account provider in line with the CASS switch. Essentially, the movement between accounts around the time of the switch meant there was a delay and Mr P had to contact Co-op to query the transfer. I can see that the remaining funds were moved over on 5 April 2023, and as Co-op has a three working day turn around for transfers, I don't consider this to be an excessive or unreasonable delay.

I do appreciate Mr P's comments regarding the contact he had to make with the Co-op, but given online banking was used to carry out transfers at around the same time as the switch to a new provider I don't think it's unreasonable for this to have caused some residual issues. Overall, I think Co-op endeavoured to effectively transfer P's accounts and funds, and I haven't seen any evidence to show the service it provided had a detrimental impact on the business.

Provision of account information

Mr P says P needed access to its closed account as it was due to complete its annual tax filing. This needed to be completed by 31 August 2023. As the account had been closed, online and telephone access to view statements wasn't an option. Instead, Co-op explained it could provide paper copies of statements to be sent. In order for this request to be actioned, Co-op required a written request. This was explained to Mr P during a call on 5 May 2023.

Mr P says a letter was sent to Co-op on 5 May 2023, which wasn't signed. Co-op says it never received this, and Mr P contacted Co-op again on 15 June 2023. During this call an authentication check was carried out, but as the details provided didn't match Co-op's

records the call handler wasn't able to assist Mr P. I appreciate this must've been very frustrating for Mr P, but given the importance of ensuring account information is kept secure, I think it was reasonable for the handler to explain they couldn't assist until security checks had been passed.

Mr P says another letter was sent on 27 July 2023, again this wasn't signed, and Co-op didn't receive this letter either. P sent a letter to Co-op on 23 August 2023 detailing the information it required. However, as this letter hadn't been signed Co-op says it was unable to action the request for information. Co-op notified P of this and on 8 September 2023 a signed letter was received, and the necessary statements were issued on 12 September 2023.

I understand Mr P says Co-op's records don't capture the calls made to them and the poor service received. He also says the delays meant P incurred costs as the information required was necessary for its tax filing. Mr P and Co-op's version of events differ significantly, and when there is conflicting evidence, I must decide what I think is most likely to have happened. Co-op's provided its internal records which show the contact made by P, and within this I can't see that there has been any contact which has been ignored or not dealt with in a timely manner. I have also listened to some of the calls made to Co-op during this period, and I understand some of the calls have been difficult, in particular the call made on 15 June 2023. Overall, I have found the call handlers to be helpful and professional in their dealings with the account queries.

I appreciate this isn't in line with Mr P's comments, but from what I can see Co-op has released the information swiftly when its requirements had been met and I can't see that it's contributed to the delays Mr P says P experienced. Ultimately it is the responsibility of P to ensure it has access to the information it requires to effectively comply with its tax obligations. So, I don't think Co-op can fairly be held liable for the losses P has incurred in this regard.

Overall, I can see the CASS process has been a source of stress and frustration for Mr P. I appreciate his strength of feeling about Co-op's role in this, but the evidence I have seen suggests it acted in line with the instructions given to it and the terms of P's accounts. I know this will not be the outcome Mr P was hoping for and he will be disappointed with the decision I've reached. But I hope my decision provides some clarity around why I won't be asking Co-op to take any further action.

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 P to accept or reject my decision before 28 March 2024.

Chandni Green
Ombudsman