

The complaint

Mr G is unhappy with the way The Co-Operative Bank Plc (Co-Op) dealt with the transaction when he asked his wife to deposit cash into his savings account.

What happened

Mr G said he filled out a paying in slip with his details and gave it to his wife to deposit cash into his savings account. He said when Mrs G attended the branch, the cashier told her that due to money laundering regulations she couldn't pay cash directly into his account and asked that she phone Mr G to obtain his security code. Mr G says to get around this issue, the cashier then asked Mrs G to pay the money into her personal account with Co-Op and then transfer it into Mr G's account.

Mr G phoned the branch to complain about the service his wife received in the branch. He says the branch manager told him they only accept deposits made by the account holder and there had been notices around the branch to inform customers of the change. As he wasn't satisfied with the answers he received from the branch manager, he complained further. He thought that if money laundering was a concern the cashier shouldn't have accepted the payment at all. He also complained that the branch manager had been dismissive of his concerns and didn't check his details before discussing his account.

Co-Op upheld Mr G's complaint. It said it had no reason to doubt Mr G's account of his conversation with the manager and apologised for it. It also said the cashier should have handled the situation more professionally. It paid Mr G £75 as an apology for the issues he encountered.

Mr G didn't accept what Co-Op said and so he brought his complaint to our service. Our investigator didn't think the complaint should be upheld, she said she didn't identify any errors and she didn't think Co-Op acted unreasonably. Mr G didn't accept our investigator's opinion and as an agreement couldn't be reached, the complaint has been passed to me for a final decision.

I issued my provisional decision on 30 January 2024 in which I said:

"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 outcome as our investigator but for different reasons.

Firstly, I appreciate Mr G thought he ought to bring what happened in branch to our attention. But I think it's important to explain that we aren't the regulators, and our role isn't to monitor businesses, nor do we penalise them for errors they may make. Rather, we look at individual complaints and consider what we think is fair and reasonable in the particular circumstances of that complaint.

Co-Op has already acknowledged there were errors made in branch. When things go wrong, we expect a business to put them right - usually by asking it to put the consumer back in the position they would have been in had the error not occurred. A business must therefore

ensure the consumer hasn't lost out financially. And it should address any practical or emotional impact the error has had on them.

In Mr G's case Co-Op has already paid him £75 in compensation to apologise for the concerns he has raised. So, what I must consider is whether it has done enough to put things right, I think it has and I'll explain why.

Co-Op explained to our service that to mitigate the risk of personal accounts being used to launder money, it changed its procedures in November 2021, so that only parties named on the account, or a third party registered on the account with the bank could make cash deposits into a personal account. As mentioned above, it's not our role to tell a business to change its procedures. But we can look into whether it followed them. Overall, I find Co-Op did. And it has shown that its procedures allow, as a one-off exception, for a third party to pay the cash into their personal account and transfer the funds electronically, if it's established the cash belongs to the third party.

I appreciate Mr G's point that if money laundering was a concern, then by not following the correct procedures it may still pose a risk. But I'm not persuaded it was wrong that the cashier followed the process they did. I say this because, Mr G informed our service that the cash was a regular payment from Mrs G, which would normally have been made to his account by a standing order.

Nevertheless, I won't dwell on this point further as Co-Op has accepted that the cashier ought to have declined the deposit as Mr G rarely made cash deposits.

Mr G says that when he phoned the branch about the issue, they didn't check they were speaking to the right customer when discussing his account. However, Co-Op's system records show that authentication was confirmed. Mr G also thought the branch manager was dismissive of his complaint. It's difficult to know what was said during that phone call as it wasn't recorded. In any event, Co-Op accepted Mr G's account of what had happened.

Ultimately, having thought about all of the above and taken into account that Co-Op has accepted it could have handled things better, I think the £75 Co-Op paid Mr G is fair and reasonable in the circumstances of this complaint. I've considered the impact the error had on Mr G, and I find that he didn't lose out financially and that the error didn't cause any significant inconvenience to him – indeed the service in branch was provided to his wife rather than him. And it spared Mr G the added inconvenience of having to pay the cash in himself. Co-Op also said additional training and feedback would be given to the departments involved. I think that's fair, and I don't find it needs to do anything more than this.

Both Mr G and Co-Op now have until the due date set out above to send in any further information, should they wish to do so. All I would add is that any final submissions should be materially new. Neither party needs to repeat what it's said to us before."

Mr G responded to my provisional decision and says:

- that the funds were a monetary gift to him and had nothing to do with any standing order or money his wife pays into his account.
- That he feels what has been overlooked is that there is no signage in the branch or leaflets available to make customers aware about the procedure that was introduced in November 2021.
- He says that he thinks it's odd the cashier said Mrs G should phone him and get his security details. He says this seems to go against security advice that you shouldn't divulge security information to anyone.
- Mr G also reiterates that if Co-Op had genuine concerns about money laundering,

then the deposit should have been refused. He thinks that by suggesting to transfer the money, it's encouraging potential money laundering.

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've taken into consideration the additional comments Mr G has made and I'm not minded to change the decision I reached.

Mr G says the payment was a gift, he also says the deposit ought to have been refused. Co-Op already acknowledged that the cashier should have declined the payment all together. Ultimately, I'm satisfied Mr G was not disadvantaged by what happened.

Its difficult to know exactly what Mrs G discussed with the cashier, and whether she was asked to obtain Mr G's security details. Nevertheless, I note from Mr G's testimony that Mrs G didn't phone him for his details, so I'm satisfied his details were not compromised in the circumstances.

As I said in my provisional decision, Co-Op recognised that there were errors made and it said feedback and additional training would be provided to the department involved, and that is all I would expect it to do here.

I'd like to reassure Mr G that I did take into account that he said there is no signage or leaflets in branch about the change in procedures. I appreciate Mr G says the branch manager told him that there were, but I don't think that's had any significant impact here. I would also add that the changes aren't new, and considering the procedures were introduced years prior, I don't think its unreasonable that there might now be fewer notices visible in the branch to notify its customers, compared to what might have been in place when the changes were first introduced.

As I mentioned in my provisional decision, Co-Op already accepted that mistakes were made, and it also accepted Mr G's account of the conversation with the branch manager. I'm satisfied that Mr G didn't experience any significant inconvenience and I wouldn't ask Co-Op to compensate for the service Mrs G experienced. Overall, I find Co-Op's payment of £75 compensation fair, in all the circumstances. As such, I won't tell it to do anything more than it already has.

My final decision

For the reasons set out above, my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 26 March 2024.

Oluwatobi Balogun
Ombudsman