

The complaint

Mrs W complains that The Co-operative Bank Plc ('Co-op') allowed unauthorised transactions to take place on her account. Co-op have refunded the disputed transactions and paid money in recognition of the distress and inconvenience caused, but Mrs W does not think this is sufficient.

What happened

I issued a provisional decision in June 2024 to explain why I thought Co-op ought to pay Mrs W more in recognition of the distress and inconvenience they caused her. This is an extract from my provisional decision:

"In early 2023 Mrs W got married. A couple of days after her wedding she logged into her online banking to make some payments. She found that her account balance had been taken down to around £6. Mrs W contacted Co-op and the police who both looked into what had happened. It transpired that her card was sent to another address in error, after her daughter had updated her address on an account which Mrs W was linked to. This meant her former partner received it and used it to make withdrawals from Mrs W's account, which was confirmed when the police obtained CCTV showing her ex-partner making the withdrawals.

The day after Mrs W reported the disputed transactions to the Co-op, they refunded her losses which amounted to nearly £1,800. Mrs W raised a complaint as she was extremely distressed and confused as to how this had happened. She spent a great deal of time on the phone to Co-op, who later provided a final response letter and offered her £400 in recognition of the distress and inconvenience she suffered.

Mrs W was not happy with this offer, she said it did not recognise the significant impact Co-op's mistake had on her. In summary, she explained that her mental health had been greatly impacted and she had to go on medication and into therapy. The police and CPS are pursuing her ex-partner and her daughter for the crimes, which has already meant she has had to liaise with the police and will be attending court which is a great distance away from her so will require her to travel and stay in a hotel. She has had to take out a restraining order against her ex-partner. Her ex-partner is retaliating against her going to the police by withholding child support, leaving her to support their daughter alone. It ruined what should have been an extremely happy time after she got married, including forcing her and her husband to miss their honeymoon. It brought up a lot of past trauma, due to domestic violence being perpetrated by her previous partner.

Mrs W remained dissatisfied, so she brought her complaint to our service. In this time, Co-op increased their offer to £800 for distress and inconvenience, and a refund of the cost of their missed honeymoon. One of our investigators looked into what had happened and said they thought Co-op's offer of £1,561 in recognition of the distress, inconvenience and financial loss of the missed holiday was fair and reasonable in the circumstances. Mrs W did not agree, so the case has been passed to me to decide.

What I've provisionally 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.

As the Co-op have refunded the disputed transactions, the matter left for me to consider is the offer for linked financial loss and distress and inconvenience. Having done so, I am minded to come to a slightly different conclusion to our investigator with regard to what a fair and reasonable payment for distress and inconvenience should be. I'll explain why.

It is not in dispute that the Co-op made a mistake here. When Mrs W's daughter was updating her own address, they changed Mrs W's address and this meant her card and PIN were sent to her ex-partner's address. This was an address she had never lived at. This allowed him to drain her account through the cash withdrawals. And whilst the huge distress caused to Mrs W was ultimately caused by her ex-partner, it would not have been possible but for the mistake the Co-op made.

I have thought carefully about the impact this has had on Mrs W's life. Mrs W has explained that her ex-partner committed domestic violence against her when they were together, and she has moved hundreds of miles away from him in order to try and make a new life for herself. Whilst they separated many years ago, he has made her life incredibly difficult in the intervening years. She has described in detail to the Co-op and to our service how much what has happened has re-ignited her past trauma. It has led to her having to seek medical intervention for serious mental ill-health and being prescribed medication. Mrs W has explained her diagnosis and the ways in which her mental health has suffered, and I have no doubt that these conditions have impacted, and will continue to impact, her daily life in a severe manner. She explained she cares for her children, who have additional needs, and so she needs to feel mentally strong in order to do the best she can for them. She said friends and family have expressed concern about her wellbeing as she has withdrawn from many parts of her life. To make matters worse, this happened just two days after her wedding. This was supposed to be a particularly joyful time in her life where she could put the past behind her and focus on her new marriage, but this was quickly taken away from her when she had to deal with the Co-op, the police and the thought of her ex-partner stealing from her. Mrs W was so distressed she was unable to contemplate going on her honeymoon, and she had to ask her new husband to deal with the police on her behalf in the first instance as she was so impacted by what had happened.

This impact is being compounded by the fact she is having to go through the criminal justice system to see her ex-partner prosecuted for what he did. She explained that she knows he can be coercive and thinks this is why her daughter is also being charged with the offences alongside him. She has had to take out a restraining order against him. When the trial occurs, she will have to travel a great distance which will come with stress, financial cost, childcare arrangements and dog sitting arrangements. It is likely she will only be told the day before she has to be there, further adding to her anxiety. The current estimated dates for the trial are not until later this year – around 18 months after she discovered the fraudulent withdrawals.

My role here is not to punish the Co-op, but to try and put Mrs W back in the position she would have been in but for the Co-op's error. But I recognise that no financial award can undo what Mrs W has been through. I think it is right that the Co-op refund her financial loss of the honeymoon. But I am currently minded to say their offer of £800 in recognition of the distress and inconvenience Mrs W suffered is not enough. If nothing changes, I will be asking the Co-op to pay Mrs W £2,000 in recognition of the severe and lasting impact their mistake has had on her life and her health. It is clear she has, and continues to, suffer sustained distress which is impacting her health – and it is likely that there will be ongoing or lasting effects.

My provisional decision

If nothing changes, I will be asking The Co-operative Bank Plc to pay Mrs W £2,000 for the distress that their error has caused her, on top of the refund for her missed honeymoon.'

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.

In response to my provisional decision, the Co-op wrote to me to say they accepted my provisional findings.

Mrs W responded to say, in summary:

- The provisional decision was authentic and accurate in most facts, particularly around the emotional and mental implications the ordeal had caused;
- The impact was still ongoing, and she is full of dread for the impending court trial, including what impact this may have for her daughter and her future plans including her career ambitions;
- Her daughter's exam results were due after the provisional decision, and it was likely that this trauma will negatively impact them;
- She has been penalized by not receiving hundreds of pounds a month for over a year due to her ex-partner refusing to pay child support despite the fact their daughter has been and will still be in full time education.
- So overall she is disappointed with the £2,800 in compensation. She did not feel this properly recognised the financial deprivation caused.

I have thought carefully about the matters Mrs W has raised, and I was glad to read that she felt the decision was authentic and accurate about the broad emotional impact this matter has had on her. I am sorry to disappoint her in the financial figure I came to that I thought Co-op ought to pay for the distress and inconvenience caused – and I am sorry to say that I still think this represents a fair and reasonable figure now. As I explained in my provisional decision, I know that no financial sum can undo what has happened to Mrs W, and by extension her family. My role here is not to pu

Whilst I have explained that Mrs W's ex-partner would not have been able to steal from her but for Co-op's mistake, I also have to recognise the role Mr W's ex-partner has had in the harm caused and how closely linked this is to the error. I know that breaking this down into technical explanations may not be extremely helpful here – but in short, I have to consider whether some impact is too far removed from Co-op's original mistake to hold them responsible for it. So, I don't think that Mrs W's ex-partner's decision to withdraw child support is something I can fairly hold Co-op responsible for here. This is because whilst I think that the theft was a foreseeable harm, I think the subsequent retraction of child support was something that Mrs W's ex-partner is ultimately responsible for. I also cannot compensate for things that have happened to Mrs W's daughter, as she is not the complainant here, but I have considered that the impact on Mrs W's family has taken a toll on Mrs W too. And I have considered this carefully whilst deciding on an appropriate award here.

I hope this explanation does not negate the fact I think Co-op did make a significant mistake here – and that I can see how this impacted Mrs W and her family. I do not wish to minimise this in any way. What happened did start in motion a chain of events that has, I am sad to say, had a negative and ongoing impact on Mrs W and her family. But having considered everything, I am still of the opinion that based on the type of awards our service give, and the nature of our service and its role, £2,000 in recognition of the distress and inconvenienced caused is fair and reasonable in this case.

My final decision

In order to put matters right, Co-op must pay Mrs W the financial loss for her honeymoon, and £2,000 in recognition of the distress and inconvenience caused, minus anything already paid to her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 26 September 2024.

Katherine Jones
Ombudsman