

The complaint

Mrs R is unhappy that Lloyds Bank PLC didn't process a cheque which she submitted via the bank's mobile banking app.

What happened

In May 2020, Mrs R deposited a cheque for £750 using Lloyds' banking app on her mobile phone.

Lloyds were unable to process this cheque, and although Lloyds no longer have a copy of the image that was provided, this was most likely because some or all of the information on the cheque was not visible in the image.

Lloyds sent Mrs R a letter which explained that the cheque could not be processed. The letter advised, incorrectly, that the cheque had been stopped and that a replacement cheque would need to be submitted. This was of concern to Mrs R as the cheque was from a third party and she wasn't sure she would be able to obtain a replacement cheque from the third party in a timely manner. Later, Mrs R visited a Lloyds branch and deposited the original cheque. The cheque was processed by Lloyds and the money credited to Mrs R's account.

Mrs R was unhappy and made a complaint to Lloyds about the cheque being declined, and also about how Lloyds had communicated the matter to her, including telling Mrs R that the cheque had been stopped.

Lloyds investigated the complaint, and while they agreed that the clarity of their communication to Mrs R about the issue could have been better, they felt that they had been correct to not process the cheque in the first instance, and so they didn't uphold the complaint.

Mrs R remained dissatisfied and referred the matter to our service, explaining in detail how this issue had caused her tremendous anxiety and stress. One of our investigators looked into the complaint, and while our investigator sympathised with Mrs R's personal position, they also felt that Lloyds had not acted unfairly in declining the cheque initially submitted by Mrs R via the mobile banking app.

Our investigator did, however, agree that Lloyds' communication on the matter could have been clearer, especially with regard to Lloyds incorrect comments that that cheque had been stopped. However, our investigator noted that Mrs R had successfully deposited the cheque in branch at the earliest opportunity. As such, our investigator felt that the misleading communication issued by Lloyds had not had a significant impact, as Ms R would have needed to visit a Lloyds branch even if the correct status of the cheque had been advised to her.

Mrs R didn't agree with our investigator's view, and so the matter was passed to an ombudsman for a final 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.

I've read the detailed correspondence between Mrs R and our investigator, and I echo our investigator's sympathy with regard to Mrs R's personal position and the difficulties that having the cheque declined must have caused her.

However, I must also echo the decision of our investigator, for essentially the same reasons, and there is little more that I can add than has already been very well explained and expressed by our investigator before me.

Ultimately, Lloyds couldn't process the initial cheque. I have no reason to suspect that Lloyds declining to process the cheque was for any other reason than not being able to read the information necessary to correctly process it. Lloyds followed their process for notifying customers that their cheque submission has been unsuccessful when they wrote to Mrs R to say that the cheque couldn't be processed – and that's what I'd expect here. Given this, Mrs R would always have needed to have taken additional steps to ensure the cheque could be deposited.

I agree that the language used by Lloyds in communicating that the cheque had been declined to Mrs R could have been better. And advising that a replacement cheque would be needed wasn't helpful, when in fact all that was required was that the initial cheque be taken into branch. But I note that Mrs R did take the initial cheque into branch, and that it was successfully deposited with the money being credited to her account.

Mrs R has advised that the delay in the money being available to her caused her some inconvenience, as did the need to make a trip to a Lloyds branch. But, given that I accept that Lloyds were correct to decline the initial submission of the cheque, making such a trip to a Lloyds branch was unfortunately necessary. So here, while I take on board Mrs R's comments, I think she deposited the cheque, and received the money, as soon as the circumstances allowed, given that the initial cheque submission had been unsuccessful.

Because of this, I can't say that Lloyds should do any more in this instance.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 13 January 2021.

Paul Cooper
Ombudsman