

The complaint

Mr C complains that National Westminster Bank Plc (NatWest) hasn't provided him with his funds from his closed account after the cheque that was issued was lost. He says he has spent hours on calls and in branch trying to get his money.

What happened

Mr C had an account with NatWest. In September 2020, the account was closed, and Mr C was sent a cheque for £7,300. He says he was abroad at the time and discovered the cheque had been lost when he returned in January 2021. Mr C says he has been trying to get the funds transferred to another account but despite several calls and visits to branch he hasn't received his money. He says that he has provided the requested documentation to support his request.

NatWest issued a final response letter in June 2021. It said it would pay 8% compensatory interest on the funds that Mr C hadn't had the benefit of from January 2021 and that it would confirm the value and issue a cheque once the calculations were complete. It also said feedback would be provided to the relevant branches about the service provided and contact made with the branch where Mr C provided his documents.

Mr C said that following the final response letter he still didn't receive his money and he referred his complaint to the Financial Ombudsman Service.

Our investigator upheld this complaint. She noted that NatWest was entitled to decide its identification/verification requirements but didn't think that it had provided the service it should have in response to Mr C's issue. She acknowledged NatWest's offer to pay 8% compensatory interest on the funds from January 2021 until the funds are paid but said that this issue should have been resolved sooner. She recommended that NatWest pay Mr C £300 (additional to the interest) for the distress and inconvenience he was caused by the delays, having to chase for responses, and needing to provide information on multiple occasions.

NatWest agreed to our investigator's recommendation. It also noted that as it didn't have copies of Mr C's documentation it would need to resend a reclaim pack to him and have this completed so the funds could be released.

Mr C didn't think the offer was fair given the length of time this issue had been ongoing.

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 can understand why Mr C is frustrated by the issues he has encountered in trying to get a cheque reissued for the funds from his closed account. He says that when he realised the cheque had been lost (in January 2021) he visited a branch to complete a reclaim form and had to wait six weeks. In June he received a letter saying certain documentation needed to be provided which he says he had already provided. His complaint was raised, and he received a final response saying that the branch manager and reclaims team would be contacted to ensure the funds were released. He visited the branch following the receipt of the letter and says he was told the documentation would be emailed to the complaint's manager. However, despite this, Mr C still didn't receive his funds.

Mr C has provided screenshots showing his visits to branch and also his call record from the months leading up to and following his complaint being raised. Therefore, I accept he made several attempts to get this issue resolved. NatWest's case notes suggest that Mr C's documents may have been lost and a request was made for him to resubmit these and an offer of compensation made at that time. However, it appears this wasn't acted on and Mr C chose to refer his complaint to the Financial Ombudsman Service.

Based on the above, it is clear that since notifying NatWest of the lost cheque, Mr C hasn't been provided with the service he should have been. While it is reasonable that NatWest has in place verification and identification procedures it appears that Mr C has completed these on more than one occasion but still hasn't received his money. NatWest accepted that there had been issues and these were addressed in its final response letter which included the offer of compensatory interest. However, as this issue has involved Mr C making several calls and visits to branch to try to get his funds released and this still hasn't happened and he has been asked to provide the documentation again despite previously providing this, I think further compensation is required.

Mr C doesn't think that £300 is enough given how long this issue has been ongoing. However, I note that in August 2021, NatWest said that he could visit a branch and resubmit his documents and receive compensation and had this happened the issue may have been resolved at that time. That said, Mr C has been without his money for an extended period and has been caused inconvenience because of this. Taking into account the time Mr C had needed to spend dealing with this issue and noting that compensatory interest has already been offered, I think the £300 recommended by our investigator is reasonable in this case.

Putting things right

NatWest should pay Mr C £300 compensation for the distress and inconvenience he has been caused. This is additional to the payment of compensatory interest set out in its final response letter.

My final decision

My final decision is that I uphold this complaint. National Westminster Bank Plc should take the actions set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 July 2022.

Jane Archer
Ombudsman