

The complaint

Mr G has complained that National Westminster Bank Plc failed to clear a cheque in time that he paid into his current account.

What happened

Mr G went into a Nat West branch at around 11am on 13 June 2022 to pay a cheque in for £5,000 that he had withdrawn from his building society account. He said that he understood from Nat West's website that the funds would be available by 10am the next day. He says that the cashier also confirmed that he'd be able to draw on it the following morning.

As it turned out, the cheque didn't clear in the morning. This meant that Mr G wasn't able to access the money to put a bet on a horse. The cheque did clear at 12.42pm, in advance of the 2.30pm race. But by that time Mr G was at work and unable to get to the bookmaker. He had to use his online gambling account instead. But that account has a daily deposit limit of £1,000, so that was the maximum he was able to bet. The horse won and Mr G received £166.66 in winnings. As he sees it as Nat West's fault that he wasn't able to bet the full £5,000, he would like it to compensate him for the additional £666.64 that he would have won.

Our investigator didn't uphold the complaint. Mr G disagrees with the investigator's opinion and so the complaint has been passed to me for a 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.

Nat West's website explains the cheque clearing cycle by giving the following example:

If you pay a cheque into your account on a Monday before 3.30pm (this is day one of the clearing cycle), you can expect to earn interest (if the account pays interest on credit balances) from Tuesday (which is day two of the clearing cycle). This is also the point at which this money will reduce the amount of your overdraft interest charged (if applicable).

Funds can be withdrawn from Tuesday (or earlier if you have a credit arrangement).

By the end of day two of the clearing cycle (i.e. Tuesday), the cheque is either paid or declined by the Drawer's bank. Once it is paid it becomes cleared funds.

Mr G has interpreted this to mean that the funds can be withdrawn from the start of business on day two, or at least by 10am.

I take Mr G's point that the wording could probably be clearer. But I also appreciate that Nat doesn't specify an exact time at which the funds will be available on day two because that can be at different times during the day.

Taken together with the final sentence about the funds being cleared by the end of day two if the cheque is paid, I'm not persuaded that the website wording sets up an expectation that a cheque can be drawn on first thing in the morning on day two, only that it will become available by the end of the day if it hasn't bounced.

Mr G has said that, as it was a building society cheque (that was actually a Nat West cheque), then the funds should have been available immediately. It is the case that a building society cheque would not bounce. But that doesn't mean that it wouldn't still need to go through Nat West's routine clearing process, in the same way as all other cheques.

Mr G says the cashier confirmed that the cheque would clear by 10am the following day. But he's also said that he made his decision to pay the cheque in on 13 June 2022 based on his understanding of the website wording and that, even if the cashier had told him there was no guarantee that the cheque would clear by the morning, it was too late for him to do anything differently by the time. So, he still wouldn't have been able to bet the full amount before going to work on 14 June 2022. As such, he's no worse off as a result of anything the cashier may have said to him.

Mr G has provided details of an online chat that he had with Nat West more recently. In it, the adviser does confirm that a cheque paid in on day one would be available at 10am on day two. I appreciate the point that Mr G is making. The adviser has clearly made a mistake in this instance and is demonstrating an unfamiliarity with the clearing cycle. But it doesn't follow that, just because this person made a mistake at a later time, that his complaint should be upheld. The issue I'm looking at is whether there was any fault on the part of Nat West in relation to the events of 13 and 14 June 2022.

It must have been very disappointing for Mr G to miss out on putting his planned bet on. I've thought very carefully about what Mr G has said. However, overall, I'm satisfied that the website wording gives no indication that a cheque paid in before 3.30 is able to be drawn on first thing the next morning. As the cheque cleared at 12.42, in line with the stated clearing cycle, I'm unable to conclude that Nat West did anything wrong.

My final decision

For the reasons set out above, I do not uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 23 March 2023.

Carole Clark

Ombudsman