

The complaint

Mr K complains that a cheque paid into his account with London Community Credit Union Limited (LCC) went missing.

What happened

On 15 October 2021, Mr K paid in a cheque for £3,048.46 at a branch of LCC. It wasn't credited to his account and he visited the branch on 2 November 2021 to find out what had happened. The cheque was cashed on 22 October 2021. Mr K raised a complaint with LCC in February 2022 and his account was credited with the amount on 30 March 2022.

Mr K complained. He said that when he visited the branch of LCC to pay in the cheque – the cashier provided his membership number for the paying in slip. So – the error must have been LCC's. He said he'd raised the matter with LCC in November 2021 but had been 'fobbed off'. He said he was only taken seriously when our service began an investigation – in February 2022. Even though the money had then been credited to his account – it took five months to get things sorted out. And during that time, he said he had the stress and worry about where the money had gone. It ruined his Christmas plans and a family holiday – as he was concerned he wouldn't get the money back.

LCC didn't provide a formal response to Mr K, nor an explanation of what had happened. They didn't provide our service with information – other than they told us the matter had been resolved, as the cheque was credited to Mr K's account on 30 March 2022.

Mr K brought his complaint to us. Our investigator said LCC hadn't acted reasonably. Mr K had raised the matter with LCC on 2 November 2021 and it had taken five months to sort things out. LCC hadn't provided any evidence to show what happened in the meantime. And they hadn't engaged meaningfully with Mr K either. Mr K had suffered a lot of worry and stress as a result and hadn't had the use of the money for five months. So, our investigator said Mr K should receive compensation of £200; plus 8% per annum simple on £3,048.46 for the time he was without the funds.

LCC didn't respond and so Mr K's complaint came to me to make a final decision on.

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.

It's disappointing to see that LCC didn't address what happened with Mr K at a much earlier stage – Mr K visited the branch concerned on 2 November 2021. But didn't get any resolution. He felt he was ignored and LCC weren't interested in his problem. It's also disappointing to note that LCC haven't sent Mr K a formal response to his complaint – nor engaged with us to give us information, nor a response to our investigator's view. So – I must base my decision largely on what Mr K has told us.

LCC told us that the sum of £3,048.46 was credited to Mr K's account on 30 March 2022.

They also showed us the credit slip completed by Mr K – and I can see that this showed a membership number which was one digit different to the number shown on Mr K's statement. LCC haven't told us how that may have happened. So, I must accept it was given to Mr K by the cashier – as Mr K has said to us.

We just don't know what happened to the funds between October 2021 and March 2022. And as I've said, LCC haven't told us, or advised Mr K. Mr K argues strongly that he was left without money for Christmas and had to postpone a family holiday as a result. I can see that Mr K is an elderly gentleman and appreciate how much of a worry this must have been for him.

Putting things right

And so, I agree that LCC should pay compensation of £200 for what happened. And as Mr K was without the money in question for five months, LCC should also pay 8% per annum simple on that sum for the period. As a guide to Mr K, this should amount to around £100.

My final decision

I uphold this complaint. London Community Credit Union Limited must:

- Pay compensation of £200 for distress and inconvenience.
- Pay 8% per annum simple on £3,048.46 between 15 October 2021 and 30 March 2022.
- If Mr K accepts this decision, he should advise which account he would like these amounts to be paid into.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 30 January 2023.

Martin Lord
Ombudsman