

The complaint

B, a limited company, complains that HSBC UK Bank Plc (“HSBC”) failed to deposit cheques into the business account, and then said the cheques had been returned to him on the same day when they hadn’t.

Dr G is B’s director and brings the complaint on the company’s behalf.

B has an account with HSBC.

What happened

Dr G says in October 2021 he deposited cheques into the company account using the deposit ATM in branch. The cheques totalled £328.

Dr G says he received a voicemail from the HSBC branch where he paid in the cheques and was told it was unable to deposit them into the company account since they were made out to Dr G, rather than the business name. HSBC asked whether Dr G wanted the cheques paid into his personal account or whether he wanted to come in and collect them.

Dr G says he called the number given to him but the number didn’t exist. So he contacted his local branch which connected him to a call centre. His call was then cut off. Dr G says he called HSBC’s business account number but there was no answer on that line.

HSBC said it had posted the cheques back to Dr G on the same day he tried to deposit them. Dr G says he was asked whether he wanted to collect the cheques so doesn’t think they would have been posted at all, and certainly not on the same day. He says he never received the cheques in any event.

Dr G complained to HSBC. He says as a result of HSBC’s failure to deposit the cheques into the business account B has lost £328 in income and Dr G would like to be compensated for his time.

HSBC said since the cheques weren’t made out to B it was unable to deposit them into B’s business account. HSBC said the cheques had been posted back to Dr G on the same day. It accepted Dr G had been provided with an incorrect contact number when the bank tried to contact him to discuss the cheques, and that Dr G had difficulty in getting through to the business telephone banking team. HSBC paid Dr G £40 to recognise the inconvenience caused.

Dr G didn’t agree with HSBC’s response to the complaint he brought on behalf of B. And so the complaint was referred to this service. Our investigator looked into things for B. He upheld the complaint. He said there was a delay in returning the cheques of some six weeks and so he told HSBC to pay a further £60 to reflect the distress and inconvenience caused.

Dr G didn’t agree with the investigator’s view. And so the complaint has come to me to decide.

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.

Having done that I've reached the same overall conclusion as the investigator. I'm upholding the complaint Dr G has made on behalf of B. And I agree with the investigator that HSBC should pay B a further £60, in addition to the £40 already paid, in settlement of the complaint. I'll explain why.

It's important to note my role here is to look at whether HSBC has acted within its terms and conditions and treated B fairly and reasonably. I'm not able to address the wider issues of how HSBC organise its internal process as that's not my role.

I understand Dr G's frustration. He was told he needed to collect the cheques, then told the cheques had been posted to him, and he was unable to speak to anyone at HSBC in order to resolve the matter.

The cheques were made out to Dr G rather than B. And so HSBC said it was unable to deposit them. I can't comment on HSBC's processes. So while I know Dr G is unhappy the cheques couldn't be deposited, I can't say HSBC was wrong in not depositing them. But that did inconvenience Dr G. Especially since he was told the cheques had been sent back to him but they didn't arrive.

I've thought carefully about the extent of that inconvenience. Dr G became aware the cheques couldn't be deposited later on the same day. And he attempted to contact HSBC to try and resolve the issue. But he wasn't able to speak to anyone. And when HSBC did look into things it said the cheques had been sent back to him on the same day. But it doesn't appear that was the case. And the cheques were never received.

I'm satisfied the cheques were sent to B and the covering letter was correctly addressed. I can't hold HSBC responsible for B not receiving it through the post. But HSBC did tell Dr G the cheques were posted back on the same day in October but the letter enclosing the cheques is dated 22 November 2021. So there was some delay in sending the cheques back.

Dr G says B is out of pocket since the cheques haven't been deposited. But in circumstances such as this the cheques would need to be cancelled and reissued in the correct name in order for the funds to be deposited correctly. This isn't something I would expect HSBC to do since it didn't do anything wrong in not depositing them. So, I don't think HSBC are responsible if B is out of pocket.

Putting things right

Since it is B that has the account it is B that is entitled to bring the complaint and be awarded any redress. So I think £100 compensation is reasonable for this – the £40 already paid and the £60 I am directing HSBC to now pay.

My final decision

For the reasons I've explained I'm upholding B's complaint about HSBC UK Bank Plc and direct HSBC to pay B a further £60 compensation.

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

Kiran Clair
Ombudsman