

The complaint

Mr C complains that Santander UK Plc lost a cheque he sent for crediting to his account and has failed to find the cheque or compensate him for its loss.

What happened

In September 2022 Mr C sent a cheque for \$4,459.32 to Santander for crediting to his account. He noted that it hadn't been credited and began contacting Santander in early November 2022 to find out what had happened. Following further calls in November he was finally told in December 2022 that it had been sent back. In a letter of 6 January 2023, he was told that the cheque had been returned to him by registered post on 21 September because it was incorrectly endorsed. The letter wasn't collected by Mr C so it was returned to Santander. However it couldn't trace receipt of the returned cheque so advised Mr C to get the cheque cancelled and for a replacement to be sent. It paid him £100 for the inconvenience caused.

In late December it appears that Santander received a cheque for the same amount (\$4,459.32) which was credited to Mr C's account and converted to £3,548.28 on 10 January 2023. Santander confirmed this in a letter of 1 February (though mistakenly quoted the dollar amount as pounds). I understand Mr C says the original cheque is still missing.

On referral to the Financial Ombudsman Service our Investigator said that the service provided by Santander fell short of what she'd expect and said that it should pay a further £100.

Santander agreed with this. Mr C didn't agree. He said that Santander had taken no responsibility for the issue, for which he is financially negatively impacted, nor has it attempted to resolve it with Royal Mail.

The matter has been passed to me for further consideration.

.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 see that Mr C became concerned that the cheque hadn't been paid in, in early November and contacted Santander to query the matter on 11 and 26 November, and 24 December 2022 and 7 January 2023. There may have been other calls but there are no notes of any such calls and we haven't received any recordings of those. It appears that in those first two calls Santander was assuring Mr C that the cheques had been received but due to a backlog in the processing of foreign cheques it hadn't yet been credited.

It was only in the call of 24 December 2022 that Mr C was told that the cheque had been incorrectly endorsed and so had been returned. After further investigation Santander was able to tell Mr C that the registered letter hadn't been collected and had been returned to it.

Though it couldn't say to what department and the cheque was assumed to be lost.

I don't think Santander was at fault for returning the cheque and it made sense to do this by registered post. I'm sorry to note that Mr C says he received no notice that the Post Office was attempting to deliver a registered letter. I do think however that Santander should have marked its records immediately it sent the cheque back, so it could tell Mr C this when he first enquired about it. I don't know if the returned letter was received back from the Post Office so I can't say whether Santander should have marked its records when that was received.

According to Santander's records it credited a cheque to Mr C's account for the exact same dollar amount as was originally sent, on 10 January 2023. Although Mr C says this cheque wasn't sent by him, it is a different number from the original "lost" cheque. So it's reasonable to assume that it was a new cheque and not the original one. And if Mr C didn't send it in, it seems likely that it was sent directly to Santander by the paying bank. Certainly Mr C has been given the opportunity by our Investigator to provide evidence that this was a different payment and hasn't done so.

So I think that in terms of keeping Mr C informed about the missing cheque, Santander provided a poor service. And I agree with the Investigator that it should pay £200 (including that already paid) for the inconvenience caused. I don't however think that Mr C has shown that he has made any financial loss.

Putting things right

I think that bearing in mind the anxiety and inconvenience suffered and the delay in telling him about the true position regarding the cheque, Santander should pay Mr C a further £100 (in addition to the amount already paid).

My final decision

I uphold the complaint and require Santander UK Plc to provide the remedy set out under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 17 August 2023.

Ray Lawley
Ombudsman