

## **The complaint**

Mr D, a sole trader trading as D, complains that National Westminster Bank Plc trading as Ulster Bank (Ulster Bank) has failed to credit several cheques that he lodged with a third party, I will refer to as P.

Mr D wants Ulster Bank to credit his account with the lost payments.

## **What happened**

In January 2023, Mr D deposited cheques at P to be paid into his account with Ulster Bank. Ulster Bank doesn't have any record of receiving the cheques.

Before the Financial Ombudsman Service became involved, Ulster Bank offered Mr D £250 to apologise. Our investigator said that although he couldn't ask Ulster Bank to credit the missing funds, he thought it should pay a total of £400 compensation. The investigator also said Ulster Bank should provide a letter to Mr D which would explain why he needed to request replacement cheques.

Mr D disagreed with the investigation outcome. He thought Ulster Bank had washed its hands of his complaint and given little thought to its customers. Mr D said that as a small business, he needed the funds and shouldn't have had to deal with the resulting financial and mental stress.

Mr D wanted to know if the investigator had asked Ulster Bank to guarantee that it had resolved the problem with cheques going astray, as a similar issue happened to him some months ago.

Ulster Bank responded to say that it had lodged feedback but that process changes take time, particularly given the involvement of P. Ulster Bank said that as an alternative, it is possible to deposit cheques of up to £500 using the mobile app with a daily limit of £750. Ulster bank agreed to pay Mr D £400 compensation.

Mr D says the app is very glitchy so he can't rely on using it to deposit cheques. Mr D points out that a customer of a different bank had a similar problem with missing cheques and that the bank in that instance credited the customer's account and then carried out an investigation. Overall, Mr D is dissatisfied with the lack of power that the Financial Ombudsman Service has.

## **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'm very sorry to see the difficulties that Mr D has faced trying to pay money into his account. It is difficult to know whether this is due to a problem on the part of Ulster Bank or P. But I agree that whoever is to blame, Mr D has been inconvenienced.

In circumstances such as these where a business has made a mistake, I will look to put the

customer back in the position they would have been had the mistake not been made.

In Mr D's case, although the cheques have gone astray, I don't consider this means that Ulster Bank must now credit the payments to his account. Ulster Bank has already explained to Mr D that the drawer – that is the party who wrote the cheque – can carry out a trace to establish whether the cheques have been cashed. If the cheques haven't been cashed, the drawer can place a stop on them and either issue a new cheque or agree an alternative payment method. If the cheques have been paid into the wrong account, it would then be possible to try and track the money down.

Although Mr D told Ulster Bank that he wasn't going to contact each drawer, this was his choice. I still think it was reasonable for Ulster Bank to suggest the above course of action to Mr D.

I accept that it would be a significant inconvenience to Mr D to have to contact each drawer individually but I think the suggested compensation fairly recognises the inconvenience to him. Compensation of £400 falls in the range of award this service might make where the mistake has caused significant inconvenience and the impact has lasted over weeks or months. I consider it to be an appropriate amount of compensation in the circumstances, particularly as Ulster Bank has offered to provide a letter to Mr D which will explain that the cheques have gone missing.

I take Mr D's point that he knows of someone in similar circumstances who was refunded their missing cheque payments but I don't think this means that Ulster bank must follow suit.

Finally, I understand Mr D's frustration with the limits of what we can do. We don't regulate the financial businesses that we cover – that's the job of the Financial Conduct Authority. Instead, we deal with individual disputes between businesses and their customers. Overall, I'm satisfied that an award of £400 is a fair way to resolve Mr D's complaint. I appreciate that he might see things differently.

### **Putting things right**

Ulster Bank should pay Mr D £400 and provide a letter to him which explains that some cheques have gone missing and which tells the recipient what steps they can take where a cheque is misplaced. It will then be up to Mr D to decide whether to approach the drawers of the cheque payments.

### **My final decision**

My final decision is that I uphold this complaint and require National Westminster Bank Plc trading as Ulster Bank to take the steps outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 21 August 2023.

Gemma Bowen  
**Ombudsman**