

## **The complaint**

Mr L complains that Lloyds Bank PLC unfairly stopped a cheque made out from his account without notifying him.

## **What happened**

Mr L has a business current account with Lloyds. In March 2023, he wrote a cheque made out to himself and his wife for £20,000 to deposit into a building society account.

When Mr L checked his business current account online, he noticed that the £20,000 payment had been returned to his account. Mr L was unhappy that he didn't receive any notice of this from Lloyds.

Mr L says that by the time he found out that Lloyds had bounced the cheque, it was no longer possible to benefit from the special rate offered by the building society. Mr L says he has lost out on almost £1,000 in interest.

Lloyds says that it returned the cheque as unpaid because the signature didn't match the sample it held on file. Lloyds says that it tried to contact Mr L about the cheque before sending him a letter to explain what had happened.

Mr L says the signature held by Lloyds is from 12 years ago so it's unsurprising that it doesn't match exactly. Mr L says that he's used the same signature for years without any issue.

Before we became involved, Lloyds paid Mr L £100 to apologise for any failure in service when speaking to Mr L and for transferring funds to the wrong account.

Mr L says that a member of staff at Lloyds thought there had been a lack of common sense over the cheque. Mr L points out that the cheque was made out to himself and his wife rather than a third party, so the risk was less. He says the whole problem could have been avoided if Lloyds had called him or sent a text.

Our investigator didn't recommend that Mr L's complaint. He said Lloyds acknowledged that the service Mr L received wasn't up to its usual standards but thought the £100 compensation it paid to apologise was fair. Our investigator didn't recommend that Lloyds do more to put things right as the signature on the cheque differed enough from the signature it held on file.

Mr L is unhappy with the investigation outcome. He says Lloyds paid £100 for a different mistake to the one involving the bounced cheque. Mr L thinks Lloyds should compensate him for the stress and lost interest. Mr L is frustrated with what he sees to be a lack of common sense shown by Lloyds.

## **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 appreciate that Mr L has lost out on the chance to earn interest after his cheque was returned as unpaid. But I don't find that this was due to a mistake made by Lloyds.

I'm satisfied that Lloyds followed its cheque referral process by calling Mr L to ask whether to pay the cheque. As Mr L didn't answer the call, Lloyds sent him a letter and returned the cheque as unpaid. Again, this was in line with its usual process. Although Mr L says he either didn't take or continue with the call because his phone indicated that it may be a scam call, I don't think this was Lloyds' fault.

Given the amount of the cheque and as the signature didn't match the one it held on file for Mr L, I don't consider Lloyds acted unreasonably when it returned the cheque as unpaid after it failed to speak with Mr L. It follows that I don't require Lloyds to compensate Mr L for any interest that he may have lost out on because of missing the investment deadline.

As the investigator told Mr L, Lloyds treated his concerns about the bounced cheque and incorrectly transferred funds together and paid him £100 to apologise over any failure in service. I think this was fair.

As I don't find that Lloyds is at fault for not honouring the cheque, it follows that I don't require it to pay additional compensation. I'm sorry if this comes as a disappointment to Mr L.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 12 September 2023.

Gemma Bowen  
**Ombudsman**