

The complaint

Mr T has complained that in October 2022 Yorkshire Building Society ("YBS") refused to provide him with an endorsed cheque, even though it had provided him with one previously in 2021.

What happened

In October 2022, Mr T asked YBS for an endorsed cheque drawn on his account, as he wanted to make an investment and his broker required the cheques to be endorsed.

Mr T says he was told that YBS was unable to endorse cheques, even though it had endorsed a cheque previously. I understand Mr T attended branch on three occasions to attempt to obtain an endorsed cheque, but says the member of staff pointed out he'd been three times and had already been told YBS couldn't endorse cheques. Mr T says that he felt 'brushed off' and not listened to by YBS.

Mr T attempted to make the investment by sending an unendorsed cheque with his investment instructions to his broker. This was rejected on the basis that the cheque was not endorsed.

Mr T was later able to make the investment and has provided evidence from his broker to show that the delay caused him to lose out on £95.85 due to the share price of the investment changing in that time.

YBS issued a final response letter on 5 December 2022 and acknowledged how Mr T felt about how he'd been treated. It paid Mr T a total of £107.52, which comprised of £90 for the distress and inconvenience Mr T experienced and £27.52 to cover Mr T's telephone and transport costs.

YBS then issued a further final response letter on 16 December 2022. In that letter YBS paid Mr T a further £52.52 to better reflect the impact this matter has had on Mr T and the amount of times that Mr T attended branch.

After Mr T referred his complaint to our service, YBS said that the loss of interest Mr T incurred from when the money for the cheque was withdrawn from his account and it being credited back into the account totalled £1.55. YBS said that it would be happy to pay Mr T the interest that he lost out on.

One of our investigators assessed the complaint and concluded that YBS had explained from the outset that it cannot endorse cheques and that the offers made by YBS to resolve the complaint was fair.

Mr T disagreed with the investigator's assessment. In summary, because he'd asked YBS to endorse a cheque in 2021, and YBS had been able to do that with no issues, Mr T couldn't understand why YBS was not able to do the same in October 2022.

Mr T was eventually able to provide evidence from his broker that it had received an endorsed YBS cheque from Mr T in November 2021.

After sharing this new evidence with YBS, YBS offered to pay Mr T a total of £750 to resolve the complaint. Mr T initially accepted the offer, but then disagreed with the offer as he thought that the £750 compensation was in addition to the amounts already paid to him, when the total amount actually included the redress that had already been paid to Mr T.

As Mr T didn't accept the offer, the matter was referred for an ombudsman's decision.

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 is clear that YBS had made an error in saying it could not endorse a cheque, even though it had been able to do so for Mr T in 2021. And once Mr T was able to provide evidence that a prior cheque had been endorsed by YBS, neither party dispute this now.

YBS has said that it does not have a specific policy or rule concerning the endorsing of cheques. I think the fact there is no specific policy or rule concerning the endorsement of cheques perhaps explains why the members of staff didn't think or didn't know it was possible to do, when Mr T asked for an endorsed cheque in October 2022.

Nevertheless, following our investigation, YBS has acknowledged that its branch staff could've endorsed the cheque, or alternatively provided confirmation in writing, on YBS letter head paper, stating that the cheque was drawn on Mr T's account. YBS acknowledged it could've dealt with Mr T's request better.

As YBS now acknowledge that it was at fault for refusing to endorse Mr T's cheque, all that is left for me to consider is whether the offer that YBS has made to resolve matters is reasonable, given the overall circumstances of this complaint.

I can see that this matter has caused Mr T a great deal of frustration. And until he was able to obtain evidence from his broker, he was unable to demonstrate what he was saying was correct, which again clearly added further frustration. Indeed, the evidence provided by YBS only showed that a cheque had been issued before, but it didn't show that the cheque had been endorsed.

I can see that Mr T attended branch a number of times to (unsuccessfully) obtain an endorsed cheque. I also appreciate that Mr T attempted to send an unendorsed cheque to his broker in the hope that it wouldn't be an issue, but the broker refused to action Mr T's investment instructions – which in turn led to Mr T being delayed in buying shares. Mr T also spent a fair amount of time on the phone discussing this matter too.

Following our investigation, YBS has since agreed to pay Mr T a total of £750. This is comprised of:

- £160.04 in redress that has already been paid to Mr T (which is comprised of £140 for distress and inconvenience, £5.04 towards fuel costs due to branch visits and £15 telephone costs);
- £95.85 to reflect the difference in share price from when the broker could've submitted investment instructions (had the cheque been endorsed) and when the broker was eventually able to purchase the shares for Mr T; and
- £1.55 to reflect the credit interest Mr T lost out on the funds for the cheque between when the money for the cheque was taken from his account until the cheque was returned unpaid to his account; and
- £492.56 of *additional* compensation for the distress and inconvenience caused to Mr T.

This therefore leaves £589.96 left to pay Mr T, to bring the total amount of redress paid to Mr T to £750.

Having reviewed everything, I think that what YBS has offered is reasonable in the circumstances. I say this because I think YBS's offer fairly reflects the various costs incurred by Mr T including fuel costs, telephone costs, loss of interest and the amounts he'd missed out on from not being able to invest when he wanted to.

Mr T has said that he wants more redress than what YBS has offered i.e. £750 in addition to what has already been paid to him. But when considering everything that has happened, I think that the total amount of the redress that reflects the distress and inconvenience caused to Mr T - which once it is all paid would total £632.56 - fairly reflects the impact this matter has had on Mr T.

I say that taking into account the extent of inconvenience caused to Mr T, such as the branch visits and telephone calls that I mentioned above. I also recognise that there was likely a level of urgency in Mr T wanting to make the payment to avoid losing out in case share prices changed quickly before the investment could be made. And as Mr T was prevented from doing this, it was clearly very frustrating for him, especially as Mr T knew that YBS was able to endorse a cheque, despite him being repeatedly told it couldn't.

So, when taking everything into account, I think that YBS's offer to pay a further £589.96 is fair and reasonable in the circumstances.

Putting things right

To put matters right, YBS should pay Mr T a total of £589.96, to bring the total amount of redress paid to Mr T to £750.

My final decision

Because of the reasons given above, I uphold this complaint and require Yorkshire Building Society to pay Mr T the above redress, to put matters right in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 17 October 2023.

Thomas White
Ombudsman