

The complaint

Mr M complains Barclays Bank UK PLC (Barclays) unfairly returned a cheque unpaid that he had issued.

What happened

Mr M says he issued a cheque on 23 May 2023 for £46,281.70 relating to a motor vehicle transaction and had previously informed Barclays of this. Mr M says on 30 May 2023 he was informed the cheque had been returned unpaid and when he spoke to Barclays about this the following day, he was told it was due to the signature on the cheque being different to its records.

Mr M says Barclays actions here have caused him significant embarrassment and damaged his reputation with business associates and friends. Mr M wants Barclays to apologise to him for the issues this has caused him, and he doesn't feel its offer of compensation of £150 goes far enough.

Barclays says while it accepts it failed to deal with Mr M's complaint in good time and didn't provide the service levels it should have; it hadn't made a mistake when it returned the cheque unpaid because of a difference in the signatures. Barclays says it did attempt to call Mr M on both his landline and mobile to verify the cheque's authenticity but couldn't get through to him. Barclays says its policy, as part of its fraud prevention is if it is unable to verify such payments it would then return the cheque.

Barclays says during the complaint process it understood Mr M suffered from a medical condition that can cause difficulties for him using a pen, so it offered to arrange for a signature stamp to be provided for him - but that was declined by Mr M.

Mr M wasn't happy with Barclays response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. While the investigator understood the upset this issue had caused Mr M, she felt Barclays hadn't acted unfairly when it returned the cheque unpaid due to a difference in the signature. The investigator says Barclays had attempted to try to authentic the cheque by calling Mr M but couldn't get through to him.

The investigator pointed out that Barclays have a responsibility to protect its customers from potential fraud and given this was a sizeable amount and the signature on the cheque didn't match, it had acted fairly in returning it unpaid.

The investigator pointed out that Barclays had offered to arrange for a signature stamp to be made available to Mr M, to avoid future recurrences like this which she felt was reasonable of Barclays. The investigator pointed out that during the course of the investigation, Barclays had recognised the service levels it had provided could have been better and it agreed to increase its offer of compensation from £150 to £250, which she felt was fair in the circumstances.

Mr M didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been upsetting for Mr M to have issued a cheque for a large sum, to see this returned unpaid causing him damage with his friends and business relationships. When looking at this complaint I will consider if Barclays acted reasonably when it returned the cheque Mr M issued as the signatures differed to its records.

The background to this complaint is well known to both parties so I won't repeat everything that's been said before. That said Mr M's complaint centres around the fact having previously informed Barclays he was issuing the cheque it still returned it unpaid, which caused him significant reputational issues with his business associates and friends.

The first thing to say here is although Mr M may have informed Barclays he was issuing the cheque previously, it's not unreasonable, when the cheque was actually presented for payment for such a sizeable sum, for Barclays to carry out its standard security and fraud procedures. Here, Barclays felt there was a difference between the signature on its records to that on the cheque, and in trying to safeguard Mr M's bank account it attempted to call him on his landline and mobile to authentic the payment, but it wasn't able to get through.

In these circumstances Barclays' process is to return the cheque and write to Mr M to inform him of this and I'm satisfied given the circumstances here that was a reasonable decision for it to take. While Mr M says his landline number should have been changed some time back, there's no evidence to support that and in any event Barclays have shown this service it did also try to call Mr M's mobile number.

While there's no doubt this matter would have caused Mr M embarrassment and without trying to minimise the trouble this has caused Mr M, it's worth saying Barclays returned the cheque for a "technicality" in that the signature differs and not for say lack of funds which would have had a more negative impact – that's not to say this wouldn't have caused Mr M upset and inconvenience.

I can see Barclays have apologised to Mr M for the upset this has caused him and have recognised it had some service shortfalls during this time. During the course of this investigation Barclays offered to increase its offer of compensation to £250 to recognise the service shortfalls and while Mr M may not agree I'm satisfied that's a fair offer here. In addition, I understand Barclays, as a gesture of goodwill, paid Mr M £287.01 to represent the loss of interest on the funds for a period of 9 days and with that in mind I feel the overall level of redress here is fair.

Barclays have also agreed to arrange for a meeting for Mr M to come to the branch to organise a "signature stamp" having been told of his medical condition, and this would now make sense for Mr M to consider in order to avoid any future repetition of this issue.

So, taking everything into account, while Mr M will be disappointed with my decision I'm satisfied Barclays have acted fairly here and I won't be asking anymore of it.

I will leave it with Mr M to contact Barclays to take up its offer of compensation and arrange for the signature stamp to be organised if he so wishes.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 March 2024.

Barry White
Ombudsman