

The complaint

Mr A complains about Lloyds Bank PLC making a cheque scanning error which caused him a financial loss. Also, providing a poor level of service when he visited their branch and contacted them.

What happened

I issued my provisional decision on 11 December 2023, and this is what I said:

I've considered the relevant information about this complaint.

Based on what I've seen so far, there will be a different outcome to what our investigator proposed.

Before I issue my final decision, I wanted to give everyone a chance to reply.

I'll look at any more comments and evidence that I get by 2 January 2024. But unless the information changes my mind, my final decision is likely to be along the following lines.

The complaint

Mr A complains about Lloyds Bank PLC making a cheque scanning error which caused him a financial loss. Also, providing a poor level of service when he visited their branch and contacted them.

What happened

There are three strands to this complaint:

Strand 1 – Lack of branch seating, help and support for a vulnerable customer

Mr A suffers from chronic pain and illness and finds it painful to stand for long periods of time. Mr A visited a Lloyds branch on 2 December 2022 to deposit an important cheque. The drawer of the cheque was Bank A. Mr A says he had to wait in a queue and as there was no seating area or staff to assist him, and he didn't want to lose his place he had to suffer a painful wait for 30 minutes.

Lloyds say they have no record of Mr A mentioning his mobility issues and they would have provided a chair if he had made the branch staff aware.

Strand 2 – Cheque scanning error

When Mr A deposited the above-mentioned cheque for £34,225 through a cashier who scanned the cheque for him. The funds were credited to Mr A's account. However, on 5 December 2022, Mr A discovered the credit was reversed due to the cheque being unpaid.

Mr A became very anxious about the reason for the cheque being unpaid and, as he was planning to buy stocks at the optimum price, it was necessary for him to urgently visit a business to arrange a money transfer and he found this a difficult and stressful experience.

Mr A holds Lloyds responsible as he believes the poor scanning image of the cheque, that led to it being unpaid, was the fault of the cashier. He says he received a "letter which stated the cheque scanning was not done right by their employee".

However, Lloyds are satisfied they didn't make a scanning error and the decision to reject the cheque, based on the scanning image, was Bank A's.

Strand 3 – Poor service

When Mr A discovered his cheque was unpaid on 5 December 2022, he contacted Lloyds late in the evening. This is because he saw their telephone service opening hours as being until 11pm. Mr A was upset that the bank was unable to explain why the cheque he paid in had been returned unpaid. Also, he discovered the service team finished earlier than advertised at 8pm.

Lloyds said their telephone banking service stopped being open until 11pm in July 2022 and it was likely the old time remained on the internet. So, they considered the service from their late-night fraud team agent to have been reasonable.

Escalation to our service

Lloyds didn't uphold Mr A's complaints, so he contacted our service seeking an "apology and financial compensation for mental distress and pain occurring for the bank not doing their job properly and giving me unnecessary pain and suffering".

However, as our investigator didn't uphold Mr A's complaint and he remains dissatisfied, it has been referred to me to look at.

What I've provisionally 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 have a different view to the investigator and I'm partially upholding this complaint. I'm upholding strand 1 but not strand 2 or 3 and I'll explain how I have come to this decision.

Regarding strand 1, I should first say that the relevant law in this matter is the Equality Act 2010. Under the Equality Act 2010, businesses must take reasonable steps to remove barriers people face as a result of their disability so that, as far as possible, people with disabilities receive the same service as people who don't have a disability and are therefore not placed at a substantial disadvantage. However, it's not for this service to judge whether Lloyds have breached the Equality Act 2010, as that's an issue for the courts. But I can take into account any relevant law and wider industry practice when deciding whether Lloyds treated Mr A fairly and reasonably in the circumstances of this complaint.

As Lloyds say they could've provided a chair if Mr A had made the branch staff aware, I considered whether Mr A should've alerted Lloyds to his painful health condition either prior to his visit to their branch or when he arrived and realised he had to queue.

I think it likely that the issue could've been prevented if Mr A had called Lloyds before he visited to request a seat or assistance. However, in the 'Accessibility and disability – support we offer in our branches – branch support' part of their website Lloyds say:

'We do our best to make our branches easy for you to use. Some of the ways we do this are:

✓ We provide seating areas'.

Lloyds haven't provided any information or video footage to show the branch facilities or support staff availability on the day of Mr A's visit. So, although a prior call is likely to have prevented the situation, based on their website comments, Mr A should've expected a seat at the Lloyds branch.

Mr A, or any customer with chronic pain, shouldn't expect to have to stand whilst waiting for a cashier, however it's likely Lloyds would need advance notice to provide support especially to help manage a place in a queue.

Regarding alerting branch staff, Mr A's testimony is persuasive. Mr A says the only staff were cashiers who were serving customers and explains that he didn't want to risk losing his place in the queue. In these circumstances, I think Lloyds' suggestion that he should've made the staff aware of his need for an adjustment is impractical. So, having considered strand 1, I require Lloyds to offer Mr A an apology for not having seating and to pay him £100 compensation.

I'm not upholding strand 2, however I sympathise with Mr A's frustration, worry and distress at having such a large and important cheque returned, especially when he was looking to invest his funds.

From reviewing the file and scanned cheque image, I can't see that Lloyds made an error here. Lloyds scanned an image of the cheque and having viewed the cheque I found that all the information was clearly visible.

The cheque was drawn on Bank A and, from the available information, I'm satisfied that the decision for the cheque to not be paid, wasn't because of an error on Lloyds part. I say this because the whole front of the cheque was visible and all the information was clear and legible. There was though a slight distortion on the left-hand side of the cheque, which appears to have been a problem for Bank A. As with all scanning technology these type of distortion issues can occur and in a cheque clearance process, where images are relayed between banks, it isn't possible to identify how, why or where this distortion occurred.

Ultimately, it was Bank A's decision not to pay the cheque despite all the information being clear. Bank A have only said the image is poor and haven't given a detailed explanation, including why they couldn't make an exception for the distortion, so I can understand Mr A's thinking Lloyds made a scanning error.

It's Mr A prerogative to take this up with Bank A should he wish to do so, but ultimately rejecting payment during the cheque clearance process is an action they were entitled to take and Lloyds can't control either the technical clearance process or Bank A's decision. So, having considered strand 2, I don't think it would be fair to hold a Lloyds cashier responsible for Bank A's decision not to pay the cheque.

I'm also not upholding strand 3. From reviewing the file I'm satisfied Lloyds changed their telephone banking closing time to 8pm in July 2022 and, although I'm not disputing Mr A saw their previous hours on the internet, I can't see that they advertised a later time on their website. So, I don't think it was unreasonable for Mr A to have spoken to a fraud agent at

10.41pm who had limited knowledge and information at hand or to be told to call again in the morning.

In addition, although I fully understand Mr A's anxiety and need to understand exactly what the problem was with his cheque, to obtain the exact information, telephone banking agents would have needed to contact the clearing centre to find out the reason why the cheque was returned, and Lloyds have explained they are only open from 8.30am to 4.30pm Monday to Friday.

So, having considered all the above, I'm partially upholding this complaint and I require Lloyds Bank PLC to offer Mr A an apology and £100 compensation for not providing seating at their branch.

My provisional decision

For the reasons I've given above, it's my provisional decision to uphold this complaint. I require Lloyds Bank PLC to:

- *Apologise for not providing seating when he visited their branch*
- *Pay Mr A £100 compensation*

I'll look at anything else anyone wants to give me – so long as I get it before 2 January 2024.

Unless that information changes my mind, my final decision is likely to be as I've set out above.

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 gave both parties an opportunity to respond by 2 January 2024.

Both parties responded before the deadline.

Lloyds said:

"I can confirm that the bank is happy to agree with your assessment and pay £100.00 to Mr A and offer an apology. Payment will be made when confirmation is received that Mr A is happy with the offer".

Mr A said he was unhappy with the decision and highlighted the impact on his health when raising a number of points including the following:

- He asked me to request phone calls and video footage if possible
- He believes what he *"was told on the phone, in person and in the letter were different disinformation"*
- He said Lloyds on-line scanning was limited to low amounts
- Regarding Strand 1 and 2:
 - He believes he is being penalised for the cashier's mistake
 - He thinks he should've been told earlier (including by the cashier) about the scanning issue
- Regarding Strand 3:
 - He feels he was misinformed, was led to believe the payee cancelled the cheque and it might be difficult to get the funds

- He didn't know that the cheque wouldn't be taken again
- He didn't think the "*decision about the hours*" is fair and said "*How am I supposed to know they changed timing. Am I expected to investigate their change of time*".

In light of Mr A's latest submission, some of which I unsuccessfully tried to clarify, I considered his points and looked again at the three strands of his complaint.

I should explain that our service requests submissions from both parties and relies upon available information to impartially and objectively resolve disputes. Although there is no video of Mr A's branch visit, I remain persuaded that Mr A should've expected a seat and one wasn't available.

It isn't possible to know if in-branch support was available and I'm persuaded it would've been difficult for Mr A to have asked a serving cashier for assistance. However, when re-considering compensation for strand 1, as it's more likely than not that the seating and queueing issue could've been prevented if Mr A had called Lloyds before he visited, I think £100 is fair and reasonable.

The only call recording on file, is the call Mr A made to Lloyds on 5 December 2022. I listened to this again and looked closely at Lloyds' submissions. However, I couldn't see any inconsistency. In this long call Lloyds' representative repeatedly explained that he was unable to give Mr A any specific information about why the cheque was unpaid. I found that the representative tried to be helpful and both he and Mr A engaged in conversations where they speculated on possible reasons. However, the representative consistently stated that he didn't know the reason and he urged Mr A to speak to a Lloyds service team the next day. He also gave Mr A the telephone number. But there is no record of any calls being made on 6 December 2022.

There was a point on the call where the representative did say that he thought the reason was probably the payee's fault. Although I consider this to be unhelpful speculation, this was after he had on numerous occasions said he didn't know the reason and Mr A needed to call the team that would have specific information. Also, I found that Mr A asked him questions about the reason despite him telling Mr A he didn't know and worked in team that didn't have the information.

Regarding strand 2, I first considered if it's reasonable for Lloyds on-line scanning not to apply to high amounts. I think it is. This is because Lloyds advertise this, are entitled to make commercial decisions and, as we are not the financial services regulator, it isn't for our service to tell a bank how to run their business and make system or procedural decisions.

Mr A believes he is being penalised for the cashier's mistake and thinks he should've been told about the scanning issue. However, for the reasons explained in my provisional decision, I'm not persuaded that the cashier made a mistake. And considering this and Lloyds' process for clearing cheques, I'm satisfied Lloyds didn't delay in informing Mr A.

As mentioned above, it's Mr A prerogative to take this up with Bank A should he wish to do so. It's unfortunate the cheque was distorted, but ultimately rejecting payment during the cheque clearance process is an action Bank A were entitled to take and Lloyds can't control either the technical clearance process or Bank A's decision.

Regarding strand 3, I recognise that receiving news of the unpaid cheque without knowing the reason or having the ability to ask questions caused Mr A worry, stress and impacted upon his health condition. However, although I both recognise and sympathise with this

impact caused by the cheque being distorted and Bank A marking it as unpaid, I'm not persuaded that Lloyds did anything wrong here.

I'm satisfied Lloyds followed its procedure and notified Mr A accordingly. Banks deal with many customers depositing large cheques and I don't think it unreasonable of Lloyds to only have detailed information available during standard working hours or not to have made an exception to their unpaid cheque procedure.

I'm satisfied the late-night representative tried hard to assist Mr A and, although he had limited information and knowledge, in addition to giving him a contact number he informed him that he would be likely to need a new cheque.

Mr A expects Lloyds to provide a better out of hours telephone service, but I'm not persuaded that's reasonable to expect knowledgeable and informed representatives to be available so late in the evening.

I appreciate Mr A's expectations stem from him seeing later times advertised. However, from the available information, I think it more likely than not that Mr A didn't look at Lloyds website. So, I don't think it would be fair or reasonable to hold Lloyds responsible for internet information they can't control.

So, having considered everything again, including Mr A's response to my provisional decision, my final decision remains the same – that I'm partially upholding this complaint requiring Lloyds Bank PLC to:

- Apologise for not providing seating when he visited their branch
- Pay Mr A £100 compensation

My final decision

For the reasons given above, and in my provisional decision, I'm partially upholding this complaint and I require Lloyds Bank PLC to:

- Apologise to Mr A for not providing seating when he visited their branch
- Pay Mr A £100 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 8 February 2024.

Paul Douglas
Ombudsman