

The complaint

Mr D complains that Barclays Bank UK PLC did not present two cheques he deposited with them, and they provided poor customer service to him.

What happened

Mr D attempted to deposit two separate cheques which came from a third party bank into his Barclays account, one for £152,907.86 dated 24 March 2023, and one for £60,251.97 dated 12 April 2023, but the funds did not clear into his account. Mr D contacted Barclays to find out why the cheques weren't honoured, but they referred him back to the third party drawee bank. The third party bank told Mr D that they never received the cheques, and they referred him back to Barclays. But Barclays told him they couldn't tell him the reason why the third party bank rejected the cheques as this information was confidential. Mr D made a complaint to Barclays.

Barclays did not uphold Mr D's complaint. They said when Mr D subsequently received a letter from them to say the individual cheques had been rejected, the letters included a copy of the cheque for his records as they were unable to return the originals, which were held in branch storage. They said he then visited the branch again and also called their Premier banking team, however the matter was not progressed. When referring the issue for further review to their Specialist teams, they said the reason for the decline of the cheques was due to the drawee bank, and Mr D would need to contact the issuer of the cheques and advise them to contact the drawee bank to query this.

Barclays said they understood their branch staff inspected his cheques on numerous occasions, but Barclays said their staff would be unaware of why another bank has rejected the cheques and they wouldn't have been able to foresee this would happen. Mr D brought his complaint to our service. He says he wrote to Barclays a number of times after this response, but Barclays didn't always respond to him.

Our investigator did not uphold Mr D's complaint. He said he could see the initial cheque was paid in on 23 March 2023 at 12:44pm, but the cheque was actually dated 24 March 2023. This explained why one of the criteria wasn't met, as it wasn't dated correctly. He said the second cheque was deposited on 11 April 2023. But the evidence shows that once again Mr D had put an incorrect date on the cheque, as the cheque was dated 12 April 2023.

Mr D asked for an ombudsman to review his complaint. He made a number of points. In summary, he said the branch staff failed to notice the cheques were being presented a day early, and if they had done so, they could have held the cheques, which would have avoided the problems which followed, Barclays gave him incorrect information on a number of occasions, blamed the third party bank and asked him to communicate with them, cheques can take up to three working days to reach a bank, therefore if Barclays had not rejected the cheques, then they would be in date by the time the drawee bank received them, and he has been caused considerable inconvenience, administration, stress and financial loss.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Firstly, I'm aware that I've only summarised Mr D's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

Mr D has said that some of his letters weren't replied to. But Barclays did highlight this to him on his June 2023 letter when they said "any further correspondence we receive from you, relating to this matter, will be filed for completeness, but not responded to. I hope I've been clear on our position". Barclays also gave Mr D the referral rights to our service on 14 April 2023, so Mr D would have been able to have brought his complaint to us from this point.

The evidence suggests that the first cheque was deposited in a Barclays branch on 23 March 2023, but this was dated 24 March 2023, and the second cheque was deposited on 11 April 2023, but dated 12 April 2023. So I'm not persuaded that Barclays made an error in rejecting these cheques, and by not forwarding this on to the third party drawee bank. While Mr D has said it can take up to three days for the drawee bank to receive a cheque, his Barclays terms and conditions shows an example of how they process a cheque, and they start the clearing process the same day, so Barclays were entitled to reject the cheques when they were deposited earlier than the date on the cheque.

But as Barclays told Mr D in his final response letter, they understood their branch staff inspected his cheques on numerous occasions. So as his cheques were inspected on numerous occasions, I would not expect the branch staff who inspected his cheques to allow Mr D to deposit these into his account. I would expect a basic check of the cheque to be sufficient for them to tell Mr D that they couldn't accept his cheques as the date on his cheques were in the future. They could have advised him to re-visit the branch from the date on the cheque to deposit the cheque if they weren't able to hold the cheques for him.

But they didn't do this. Had they informed Mr D they couldn't accept post-dated checks, then the subsequent events wouldn't have followed. While Barclays sent Mr D two letters dated 24 March 2023 and 12 April 2023 informing him that they couldn't accept his cheques as they were declined for one or more of the following reasons "the cheque is signed, dated, that the amount in words matches the amount in figures and that it is made payable to the name on your account", they also told him on a number of occasions incorrect information while Mr D was trying to get to the bottom of why his cheques hadn't cleared.

This incorrect information includes telling Mr D that "the reason for the decline of the cheque was due to the drawee bank", that he would need to contact the issuer of the cheque and advise them to contact the drawee bank, saying the account didn't belong to Mr D (he is a director at the company who issued the cheques to him), telling him to contact the drawee bank, and Barclays saying they couldn't disclose the reason the drawee bank rejected the cheques for data protection reasons. But the reality is the drawee bank didn't reject the cheques.

Mr D visited a Barclays branch on 27 April 2023, and he says he spoke to the branch manager who reiterated it was the third party bank who hadn't honoured the cheques, so he visited a branch of the third party bank, who told him they hadn't received the cheques. Mr D says he went back to the Barclays branch, but as the manager was busy he was promised a call back which he says he didn't get.

Mr D also experienced poor service on the phone when he contacted Barclays, on the call recordings I've listened to. He spent hours on the phone trying to get to the bottom of the rejected cheques without success, with long pauses at times, incorrect information being given to him, and conflicting information given to him about where his cheques were (one call handler said they were in the branch, another one said they would have been destroyed).

Mr D could have helped mitigate the situation himself by not trying to deposit post-dated cheques. But while Barclays were within their rights to reject the checks based on them being post-dated, they let Mr D down on a number of occasions by letting him deposit the cheques despite staff inspecting the cheques (confirmed by both Mr D and Barclays in their responses), the incorrect information they gave him on numerous occasions, poor customer service, asking him to contact the drawee bank when this was not required (and based on Barclays rejecting the cheques, he would never have received an answer from the drawee bank about why the cheques were rejected).

So I've considered what would be a fair outcome for this complaint. I'm persuaded that Barclays caused Mr D distress and inconvenience for the reasons I've listed above. So I'm persuaded that Barclays should pay Mr D £200 compensation for what happened here. I'm persuaded this is fair as they have made a number of errors spanning over a number of weeks. They constantly gave him wrong information and instructions to contact the other bank which further added to the distress and inconvenience he had when they told him the correct information that they'd never received the cheques. So I intend to ask Barclays to put things right for Mr D."

I invited both parties to let me have any further submissions before I reached a final decision. Both parties accepted the provisional 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.

As neither party have provided me with any further information to consider, then my decision and reasoning remains the same as in my provisional decision.

Putting things right

In my provisional decision I said I intend to uphold this complaint. I said I intend to ask Barclays Bank UK PLC to pay Mr D £200 for distress and inconvenience. I'm still satisfied this is a fair outcome for the reasons given previously.

My final decision

I uphold this complaint. Barclays Bank UK PLC should pay Mr D £200 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 1 March 2024.

Gregory Sloanes
Ombudsman