

The complaint

Mrs S and Mr S complain that The Royal Bank of Scotland Plc (RBS) unfairly prevented them from depositing a cheque. This caused them inconvenience and embarrassment. For ease of reading, I'll simply refer to Mr S.

What happened

In January 2024, Mr S tried to pay into a joint account he holds with his wife, a cheque of £5,000. The cheque was subsequently rejected as the payee of the cheque did not match exactly with either of the names on the joint account. Specifically, the payee was solely the middle name and surname of Mr S i.e., it omitted Mr S's first name, and Mr S's first name does appear on the joint account.

Mr S enquired with RBS as to their policy and what had happened to the cheque and was incorrectly told it had been securely destroyed. In fact, it was later returned to Mr S attached to the letter which confirmed the initial rejection. A replacement cheque was organised and paid in successfully. Mr S then logged a complaint with RBS, also highlighting that other cheques with the same payee as that on the £5,000 cheque had successfully been paid in without issue.

RBS responded to the complaint and didn't uphold it. They did apologise for the incorrect information about what had happened to the cheque and credited £50 compensation accordingly. RBS said they couldn't explain why other cheques with the same payee had been accepted but this one had not. Dissatisfied, Mr S brought his complaint to our service.

Our investigator didn't recommend that the complaint be upheld. They acknowledged the incorrect information Mr S had been given by RBS, and their apologies for it. In terms of the cheque rejection, after liaising with RBS, they said the decision to reject the cheque involved risk, in particular fraud prevention, and that RBS were entitled to have these processes in place for customer protection. In terms of the lack of consistency point, our investigator noted that the other cheque amounts were far lower than the £5,000 cheque in question, and discretion had been used.

Mr H disagreed with this outcome and requested an ombudsman review his complaint.

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've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, and while I recognise this will come as a disappointment to Mr S, I have decided not to uphold complaint for broadly the same reasons as the Investigator.

I firstly want to address the inconsistency that Mr S experienced over a period time when depositing cheques and would like to acknowledge the confusion this would create. It can be

wearing but it's important to recognise that RBS using their discretion in the past minimised inconvenience when they accepted the lower value cheques, and that in my view, RBS have shown customer focus with this approach.

Our investigator laid out clearly the process RBS use for accepting and rejecting cheques based on the payee so I won't go back over this. And I agree with the best practice the investigator mentioned in that when a customer pays in a cheque of any value in the name as stated on their account, it will remove the chance of the deposit being rejected.

I wanted to look over Mr S's comments which he made in response to our investigator's view, to ensure I had addressed all concerns. He talked again about the misinformation regarding the whereabouts of the cheque saying this service had found RBS 'blameless' but it's clear that RBS made mistakes in this regard and took ownership for them. Mr S also commented that he found it unbelievable that our service supported RBS as an organisation that treats cheques differently, dependant on their value, but I and the investigator have addressed this point already.

Finally, in terms of the compensation that RBS offered, considering there's no financial loss, a replacement cheque of £5,000 was successfully paid in later in January, and the inconvenience to Mr S was minimal, I regard the compensation that RBS credited is fair. Therefore, I am rejecting the £5,000 compensation amount that Mr S has suggested. When a consumer is pursuing an award of this size, we would consider this to be damages and only a Court can award damages. It is open to Mr S in rejecting this decision to take legal action if he wishes.

While Mr S is likely to be unhappy with my decision, taking everything into account I think RBS have acknowledged their errors and provided clarity around their processes. As they acted fairly and reasonably in applying the terms and conditions of the account and declining the cheque in question, I can't ask them to do anything further.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 9 May 2024.

Chris Blamires
Ombudsman