

## The complaint

Mrs C complains that it took around one month for a payment she made by cheque from her account with Bank of Scotland plc trading as Halifax to reach her account with another bank. The delay caused her worry, distress and inconvenience.

Mr C, who holds power of attorney for Mrs C's financial affairs, has brought the complaint on her behalf.

## What happened

Mrs C holds a current account with Halifax. Mr C is named on her account as her attorney.

Mrs C wanted to move £85,000 from her account with Halifax to a fixed rate bond account at another bank, which I'll call V. Mr C said that V would accept only a cheque for the deposit. Mrs C signed a cheque drawn on her account with Halifax.

On 13 November 2023 Halifax sent Mr C a text message saying that it would need to speak to him about the cheque. Halifax then called him to discuss the cheque. He was suspicious about the text and call and said he would telephone Halifax directly. But in the meantime, Halifax returned the cheque unpaid for the reason *'No mandate. Payer's/Drawer's Bank does not hold signature instructions for the account.'*

On the same day Mr C called Halifax to complain and to ask about the security questions it would usually ask about the cheque. Halifax said it couldn't give him that information. Mr C complained about the process to verify the cheque. Halifax said sorry for the inconvenience and sent him a cheque for £30. After further discussion with Halifax and a visit to his local branch, Mr C decided to ask V to re-present Mrs C's original cheque.

On 15 November 2023, Halifax paid the re-presented cheque and debited Mrs C's account with £85,000. Halifax had told Mr C it could take up to ten days for the money to reach her account with V. But the money didn't arrive within this timescale. So on 29 November 2023 he visited Halifax's branch again and the staff arranged to put a trace on the cheque. They told Mr C this would take another ten days. He made a further complaint to Halifax.

On 15 December 2023 the money was credited to Mrs C's account with V.

In response to Mr C's complaint, Halifax said it hadn't made an error. It said it didn't hold Mrs C's signature in its records. It needed to speak to Mr C to confirm Mrs C had issued the cheque. As he didn't accept its call Halifax said it correctly returned the cheque unpaid.

Halifax said that the cheque was re-presented on 15 November 2023 and it debited Mrs C's account the same day with the amount of the cheque. When Mr C told it the money had not reached Mrs C's account with V, it had put a trace on the cheque and followed this up. Halifax said the trace showed that it had paid the money to a bank I'll call 'B'. B is the clearing bank for V. The trace said that B was waiting for permission from V to credit its client's (Mrs C's) account. So while it understood Mrs C's concerns, Halifax said it was not responsible for the delay.

Unhappy with the response, Mr C came to us. He explained Mrs C was an elderly, vulnerable woman. She and their family had been extremely worried and distressed about the missing money, which represented her life savings.

Our Investigator didn't uphold Mrs C's complaint because he didn't think Halifax had made an error. It had been entitled to check whether Mrs C's substantial cheque was genuine. Our Investigator didn't think Halifax had been responsible for the delay after the cheque had been re-presented and it had properly put a trace on the money. So he didn't require Halifax to do anything more.

Mr C asked for an Ombudsman's review. He said he might want to present further evidence. Our Investigator asked for any further comments by a given date, but we've not received anything more. The complaint's come to me for review.

### **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 been sorry to read of Mrs C's worry and distress over the delay in her money reaching her account with V. I appreciate that Mr C was dealing with this matter on her behalf as attorney. Having listened to his calls with Halifax I can appreciate he was genuinely concerned about the delay in Mrs C's money reaching V. I need to decide whether the delay was due to something Halifax did wrong.

I've reviewed all the evidence and I don't think Halifax did anything wrong, so I won't be upholding Mrs C's complaint. I appreciate this will come as a further disappointment to her and Mr C. I'll explain my reasons.

I think Halifax was entitled to check whether Mrs C had issued and signed the substantial cheque to V. I've seen its internal records. It held Mr C's signature on its records but not Mrs C's signature. The cheque was for a large amount of money. I think Halifax properly wanted to verify that the cheque had been authorised by Mrs C. This was to protect both Mrs C and Halifax.

Halifax sent Mr C a text to say it would be calling him from a given number about the cheque. The text quoted the correct cheque number and issued date. Mr C said the text was unsolicited and that Halifax's subsequent call came from a withheld number. He was worried that the text and call might be part of a scam.

I do understand Mr C's caution. He was entitled to refuse to speak to Halifax when it called him about the cheque. But I think that Halifax was entitled to return the cheque unpaid. It had not been able to verify the cheque had been issued by its genuine account holder Mrs C, so the answer it gave on the cheque - *'No mandate. Payer's/Drawer's Bank does not hold signature instructions for the account'* - was correct. And it was required under the cheque clearing process to decide whether to pay the cheque within strict time limits.

Following Mr C's calls to Halifax and his visit to the branch, V re-presented the cheque. Halifax paid the cheque and the money was debited to Mrs C's account on 15 November 2023. The information Halifax was given within the cheque clearing system was that the money had been paid to B – V's clearing bank – within two days.

Halifax had told Mr C that it could take up to ten days for the money to reach Mrs C's account with V. As it took longer than this, Halifax properly said that it would put a trace on the cheque with the cheque processing company. I've seen from Halifax's internal records

that:

- On 1 December 2023 Halifax chased for an update on the trace. The cheque processing company told Halifax that the £85,000 had been credited to B's account on 16 November 2023 and that B had until 7 December 2023 to confirm that the funds had been applied to Mrs C's account with V.
- On 6 December 2023 the cheque processing company said B had responded to the trace to say that it was waiting for V's permission to credit Mrs C's account. Halifax followed this up on 8 December 2023 and the cheque clearing company told Halifax they had pended the case for a couple more days while waiting to hear from B.
- On 14 December 2023 the cheque clearing company sent Halifax a message saying B had received permission to credit Mrs C's account. The money was credited to her account with V on 15 December 2023.

I think Halifax took reasonable steps to find out what had happened to Mrs C's money. It properly put a trace on the cheque and told Mr C that B had ten working days to respond. Halifax didn't wait for the 10 days to elapse and actively chased for a response.

From the available evidence, I've seen that the money was credited to V's clearing bank B on 16 November 2023, in line with the timescales I would expect. I appreciate that there was a delay until Mrs C's account with V was credited with her money. But I've not seen anything to show that the delay was due to anything Halifax did wrong. So I can't fairly award Mrs C compensation for any lost interest or for her distress and inconvenience

I appreciate that in response to his complaint Halifax sent Mr C a cheque for £30, which he did not accept and said he has not banked. If he now decides to bank the cheque but it is out of date he should let Halifax know, so it can reissue the £30 cheque to him.

### **My final decision**

For the reasons I've given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 16 December 2024.

Amanda Maycock  
**Ombudsman**