

The complaint

Miss L complains that Nationwide Building Society unfairly returned a cheque she'd written.

What happened

Miss L wrote a cheque for £200 to be paid from her account with Nationwide.

Nationwide tried to debit the money from Miss L's account twice: once at 02:28 and again, later the same day, at 14:30. But both times, the cheque was rejected because there wasn't enough money in Miss L's account to pay it. At 15:40 that same day, Miss L paid £230 into her account. But by then the cheque had been returned unpaid.

Miss L believes that it was unfair of Nationwide to return the cheque, given that she credited her account with more than enough to cover it on the same day that the cheque was presented. She says that as a result of the cheque being returned, she was charged a fee of £10 by the receiving bank. She considers that Nationwide should take responsibility for this.

One of our investigators considered the complaint, but didn't think it should be upheld. In summary, she said it was Miss L's responsibility to make sure there were enough available funds in the account when the cheque was presented. So she didn't think Nationwide had acted unfairly.

Miss L disagreed with the investigator's view, so the complaint's been passed to me.

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'm sorry to disappoint Miss L, but having done so, I've reached the same conclusion as the investigator, and for similar reasons. Like the investigator, I consider that it was for Miss L to make sure that there was enough money in her account to cover the cheque when it was presented for payment.

Miss L has commented that as she's not connected to the world of banking, she can't be expected to have a detailed knowledge of banks' working practices. I know she feels strongly that Nationwide should have allowed the payment, given that she credited her account with more than enough to cover the cheque later the same working day. But I don't consider that her belief that this would be enough was based on anything that Nationwide had said.

I'm satisfied, on balance, that Miss L would have agreed to the terms and conditions of her account when she opened it. Those terms and conditions are available on Nationwide's website. I've looked at them to see what they say about cheques.

The terms and conditions include a table with information about payments out of the account. In the section on payments by cheque, it says:

"We will take the money from your account on the same working day that we receive a cheque you have written."

They don't state a specific time of day by which money needs to be in an account to cover a cheque. But they do say:

"15. To ensure that you can always pay for things you want, it's important that you make sure you have enough money available to use (including any arranged overdraft limit) before you ask us to make a payment."

There was no arranged overdraft facility on Miss L's account. So she needed to make sure there was enough money available in the account to cover the cheque at the point when it was presented for payment. Neither Miss L nor Nationwide had any way of knowing exactly when that would be. Nationwide has pointed out, and I accept, that it has no control over when a receiving bank will process a cheque.

Miss L accepts that there wasn't enough money in her account to cover the cheque when it was presented for payment. It isn't in dispute that she later paid in enough money in to cover it. But unfortunately, the cheque had already been presented for payment twice, so it was returned unpaid.

I understand Miss L's frustration at being charged a fee by the receiving bank. It was unlucky for her that she credited her Nationwide account only just too late to prevent the cheque being returned. But I'm satisfied that in returning the cheque, Nationwide acted in line with the terms and conditions of Miss L's account and with its procedures. So I can't fairly say it did anything wrong here. I'm sorry to disappoint Miss L, but it follows that I can't require Nationwide to reimburse Miss L for the £10 fee, or to take any other action.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 5 November 2024.

Juliet Collins
Ombudsman