

The complaint

Mr and Mrs P complain about the service received from Barclays Bank UK PLC (“Barclays”) when they issued a cheque from their joint account for £25,000 signed by Mrs P and the cheque was stopped and returned unpaid. In particular, they are unhappy with Barclays attempts to verify the payment and its processes around this. They don’t think that Barclays attempts to contact them went far enough and believe Barclays are in breach of a number of Financial Conduct Authority (FCA) regulations.

What happened

Mr and Mrs P hold a joint account with Barclays. Mrs P wrote a cheque on 23 February 2023 for £25,000. Barclays system notes record that it attempted to call Mrs P twice regarding the payment – on both the landline and her mobile phone - but as Mrs P failed to answer the call in time and before it went to the answering phone, the cheque was stopped and returned unpaid as the signature on the cheque couldn’t be verified.

Barclays sent Mr and Mrs P a letter about this notifying them what had happened.

In June 2023 Mr P wrote to Barclays CEO responding to a statement released “that Barclays are good at what we do” and mentioned a previous complaint about a similar incident as well as the latest incident and so a complaint was re-opened.

Barclays issued a final response on 22 June to this but misinterpreted Mr and Mrs P’s correspondence and incorrectly reiterated Barclays previous response that the complaint had been referred to this service and failed to realise the correspondence related to a new complaint from March 2023.

Mr and Mrs P sent in further correspondence about this to Barclays in September and October incorporating around 59 specific questions, but as Barclays failed to respond Mr P called Barclays about this on 14 November. Following this Barclays re-opened the case for a fresh review once it understood the complaint related to another cheque that was returned unpaid.

Barclays issued a revised final response to Mr and Mrs P on 21 November. It apologised for the handling of Mr and Mrs P’s complaint and compensated them £75 to recognise the distress and inconvenience caused. But Barclays didn’t uphold the complaint regarding the cheque issue as it didn’t agree Barclays had breached its procedures, FCA guidelines or acted unfairly. Barclays explained that if Mr and Mrs P had any further concerns that they would need to be directed to the FCA and that its complaint process had been exhausted and any additional correspondence may not be replied to.

Mr P responded to this on 21 March 2024 providing a detailed analysis of Barclays final response. Mr and Mrs P then referred their complaint to this service on 26 March providing all their submissions in a 142-page long document including letters sent to Barclays, case studies, FCA regulations and the submission of an ombudsman’s final decision of a similar complaint to theirs.

Mr and Mrs P say they fully support Barclays fraud prevention procedures, but they are unhappy that Barclays failed to leave a voicemail or a number to call back when verifying cheque payments and this is now the third occasion of this happening. This has resulted in the unnecessary return of their high value funds when they were fraud free transactions.

Mr P says he doesn't believe that fraud prevention procedures adopted by Barclays have been applied fairly and in-line with other banks and that Barclays is in breach of FCA regulations. Mr P says Barclays systems for processing payments and carrying out fraud checks on payments made by cheque are inferior to its system applied to electronic payments and so customers who wished to pay by cheques are unfairly disadvantaged.

Mr and Mrs P are unhappy with the way their complaint has been handled by Barclays. They say that information provided by them has been intentionally intercepted, ignored and not correctly addressed and that they haven't been offered a solution such as offering a same day fall back option when they don't answer the phone when issuing large cheques in the future and want significant compensation for the time and effort they've put into this complaint.

One of our investigators looked into all of this and agreed that as much of Mr and Mrs P's complaint related to concerns that Barclays were in breach of FCA regulations that Mr and Mrs P should raise this with the FCA as this isn't something this service can help with.

They didn't think Barclays had made an error by following its internal procedures and not leaving a message when verifying the cheque – as it was a commercial decision it was entitled to take. But thought as the cheque was issued from a joint account Barclays should've also attempted to contact the other party on their mobile phone to exhaust all contact options. To recognise this and the added inconvenience they recommended Barclays compensate Mr and Mrs P an additional £100 which Barclays accepted.

Mr and Mrs P remain dissatisfied with this. Mr P says Barclays procedures and service levels when responding to their specific resolution requests are unreasonable and that he has 53 questions that remain unanswered by Barclays and this service and as such have asked for an ombudsman's 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.

I hope that Mr and Mrs P won't take it as a discourtesy that I've condensed their complaint in the way that I have it is clear from the significant amount of correspondence they've provided how invested in the matter they are. But ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of Mr and Mrs P's complaint as stated in Mr P's own words is:

"The core issue of my Formal Complaint remains the unfair and unreasonable telephone system applied by Barclays, when returning unpaid high value cheques, due to potential fraudulent signatures."

And so this is what my decision will focus on.

I note Mr and Mrs P have also raised a number of other complaint points which don't relate entirely to or are a side issue of the main complaint point as I've outlined above. And although I have considered all Mr and Mrs P's submissions, I won't be addressing them all here in this decision. We are an informal dispute resolution service and in-line with our

statutory objective to resolve complaints with a minimum of formality I don't believe addressing each and every point raised would be an effective operation of our service.

Furthermore, Mr and Mrs P have also raised a number of complaint points around how Barclays have investigated and responded – or in some instances a lack of a response – to their complaints. But as complaint handling isn't generally considered a regulated activity under the DISP rules – the rules which this service follows – I won't be looking into aspects of their complaint that I consider fall into this category or compensating them for their time spent on this.

Firstly, it might be helpful for me to say here that, I don't have the power to tell Barclays how it needs to run its business and I can't make Barclays change its systems or processes – such as how it verifies payments made by cheque, when payments are processed or held for fraud prevention. These are commercial decisions and not something for me to get involved with. Nor can I say what procedures Barclays needs to have in place to meet its regulatory obligations – that is the role of the regulator in this case the FCA - we have no regulatory or disciplinary role.

That said I don't think it was unreasonable for it to have systems in place – in this case carrying out checks on outgoing payments that meet certain criteria for fraud prevention - to ensure the transactions are legitimate and it meets its regulatory requirements. As I'm sure Mr and Mrs P understand this is needed not only to protect businesses against criminal activity, but also their customers.

I appreciate Mr and Mrs P don't believe that Barclays tried hard enough to have the payment verified before it cancelled Mrs P's cheque. They believe Barclays should have a same day fall back option such as leaving a message on their answering phone or requesting they call Barclays back before taking this action.

Barclays have explained that the attempt to make contact with its customers regarding payments out is made by its back-room staff who can't receive in bound calls and its policy for security reasons is not to leave any messages and this applies to all its customers. As stated above it isn't for this service to say what systems or processes it should have in place or the policies it lays down – so I can't say Barclays has done anything wrong here in following its own processes. But even so I don't think for security purposes it's unreasonable that Barclays doesn't leave a message when it comes to verifying a payment when there is potential for it to be heard by someone unrelated to the payment.

But I do agree with our investigator that in this situation Barclays could've potentially done more especially given the not insignificant amount of the payment of £25,000. I accept Barclays wouldn't want to risk this amount being paid without the necessary security and verification checks being met and that ultimately by cancelling the cheque it was trying to both protect both its and Mr and Mrs P's interests.

But equally the amount of the payment also signifies to me that it is important and a significant purchase and one where time may well be of essence such as when investments are made. And so I agree with our investigator that before cancelling the cheque Barclays should've explored all options it had to contact Mr and Mrs P – the joint parties to the account – such as calling Mr P's mobile phone.

So I don't think Barclays acted unfairly in carrying out its payment verification checks, but I do think it could've done more to contact Mr and Mrs P before cancelling the cheque.

Fortunately, as far as I understand it Mrs P was able to make the payment and neither Mr P or Mrs P have suffered financially as a result of the cancelled cheque. But Mr and Mrs P

were inconvenienced and so I think to put things right Barclays should compensate Mr and Mrs P a further £100 in recognition of this.

My final decision

For the reasons I've explained, I've decided to uphold Mr and Mrs P's complaint against Barclays Bank UK PLC and direct it now pay £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr P to accept or reject my decision before 9 January 2025.

Caroline Davies
Ombudsman