

The complaint

Miss B is unhappy with Barclays Bank UK PLC. Miss B paid in a cheque to her account for £125,000.00. Unfortunately, Barclays credited her account with only £125.00. Miss B would like Barclays to pay the full amount of the cheque into her account.

Miss B has involved a representative to help her with this issue. But for ease of reading, I will refer to Miss B throughout this decision.

What happened

The cheque was paid in to Miss B's Barclays account in late October 2023. In late January 2024 Miss B noticed that only £125.00 was paid into her account. So, she contacted Barclays and asked it to credit her account with the difference - £124,875.00.

Barclays accepted that it had made an error and the wrong amount had been credited to Miss B's account. Barclays spoke to Miss B and confirmed it would contact the bank upon which the cheque had been drawn to ask it to pay the difference. Barclays paid £50.00 to Miss B's account for the distress and inconvenience caused.

Barclays did get a response from the other bank. But this response said there were insufficient funds in the account to pay the £124,875.00 to Miss B's account. Barclays confirmed at this point it wouldn't be able to credit the funds to Miss B's account.

The funds had been paid to Miss B by her partner who had sadly passed away during this time. So, Miss B had no option now other than to contact the people handling his estate. Getting any information or progress through the estate contacts has so far produced no positive actions or outcome.

When Barclays became aware of this it further apologised and credited a further £200.00 to Miss B's account for the further inconvenience caused. This took the distress and inconvenience payment total to £250.00. As Miss B remained unhappy, she brought her complaint to this service.

Our investigator upheld the complaint in part. He didn't think it was appropriate to ask Barclays to pay Miss B the full outstanding difference of £124,875.00. He said there was no certainty the cheque would have cleared. But he noted the cheque payee had sadly passed away and the estate weren't communicating with Miss B. He said these other factors weren't Barclays fault. He suggested Miss B might need to seek advice on what to do about the estate. Our investigator accepted this situation had caused Miss B considerable distress, inconvenience, and disruption. He said in view of this the total amount of compensation Barclays should pay to Miss B is £500.00. So, he told Barclays it should credit her account with a further £250.00.

Miss B didn't accept this and asked for her complaint to be passed to an ombudsman for a final 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.

There's been quite a lot of extra debate and discussion between the representative and our investigator. So, I need to be clear that my role is to deal with the original complaint raised. I can't get into issues that were not raised with Barclays originally.

The central facts here are not disputed.

This has been a very difficult time for Miss B. She has had to deal with this while also dealing with the grief of losing her partner and trying to engage with the estate in a bid to resolve this issue.

Understandably, Miss B would like Barclays to credit her account with the rest of the amount the cheque was written out for - £124,875.00.

Miss C said the whole basis of her complaint was surrounding what happened in late October 2023. She said her and her partner went to their local building society and closed their joint account.

Miss B said the closing balance of £125,343.22 was sent directly to her partners bank account. They then visited her partners bank, and it confirmed the money had been credited to his account. Her partner then wrote out the cheque for £125,000.00 and Miss B took it to Barclays and paid it into her account.

So, Miss B is convinced due to the very small amount of time before she presented her cheque there were sufficient funds in her partners account at that point to allow the cheque to clear for the full amount.

Miss B accepts that Barclays appear to have misread the cheque amount when she paid it in.

Miss B concluded the drawers bank would have contacted her partner when presented with the cheque. She said he would have confirmed his intention to pay the money to her and in all probability that is what would have happened.

As Barclays won't pay the amount Miss B has been in touch with a solicitor and already suffered some costs here in her attempts to get in touch with the estate executors about the outstanding money. Miss B thinks Barclays should pay these legal costs.

Barclays said it issued monthly statements to Miss B since the cheque was deposited in October 2023. It noted that Miss B didn't pick up the error until late January 2024.

Barclays said its understanding was Miss B's partner wanted to *"gift her the £125,000.00 before he passed away."* But it said he had passed away before Miss B noticed the discrepancy.

Barclays said the decimal point on the original cheque was *"placed incorrectly but the words do clearly state one hundred and twenty-five thousand pounds."*

It accepted a mistake was made at clearing and contacted the drawers bank to recover the funds. But it said this was unsuccessful as there were now insufficient funds in the account.

Barclays confirmed it was unable to establish if the signature would have matched what the drawers bank held on record. So, it said there was a possibility the cheque wouldn't have cleared at all.

It said it asked Miss B to contact the estate executor. But noted she wasn't getting responses. It said this was now a civil matter and should be dealt with as such. Barclays said it wouldn't pay any legal costs Miss B faced. It said its error was processing the cheque and sending it for clearing. It said its clearance team should have rejected the cheque outright due to the discrepancies and inconsistencies in the amounts stated.

Barclays accepted our investigators recommendation that it should increase the distress and inconvenience payment by a further £250.00 to make a total payment for this of £500.00.

This complaint has left Miss B dealing with the consequences of a very unfortunate set of circumstances. But that doesn't mean it all becomes Barclays responsibility. If Miss B's partner was still with us the matter could be resolved very easily, but as that's not the case I can't expect Barclays to step in. If Miss B is entitled to the money, then the estate would be aware of that.

I agree that in view of the amount it is extremely likely the drawers bank would have contacted Miss B's partner to do some checks on paying such a large amount before it would have passed any payment to Barclays. But I can't say anything more about what the outcome of such a discussion would have been as it never reached that stage.

And I can understand how confusion may have arisen about the amount the cheque was for based on the difference between the written amount and the numbers.

But because of the way events have happened that doesn't mean I can ask Barclays to step in here and pay Miss B the £124,875.00. This money was never in Barclays possession it never left the drawer's bank. The only amount to leave the drawers bank was the £125.00 that was credited to Miss B's account at the time.

I accept this feels very unfair on Miss B. She is an innocent party in all of this and as mentioned above she's been caught dealing with the circumstances.

But as Barclays was never in possession of the funds, I can't ask it now to pay those funds. The money will be with the estate. So, I think Miss B dealing with the estate is the only way to try and resolve this matter.

I think this will have been a hugely frustrating and frankly heartbreaking situation for Miss B. And I completely understand why she feels Barclays should reimburse her for the full amount. I don't think there's anything I could say that would change her feelings on that. But what I can say is that it did accept it had made a mistake and normally in such situations this would be relatively straight forward to rectify. That's not the case here. All I can do is consider the impact on Miss B and what action Barclays has taken to recompense her for the mistakes it made, rather than the amount outstanding.

I do think Barclays thought about this and did consider Miss B's distress and inconvenience when it increased the offer to £250.00. I don't think there's an amount that would make Miss B feel any better about this apart from getting the full amount reimbursed. But I do think in relation to this service and awards we make the £250.00 total is too low. I think Barclays should increase the total amount awarded to £500.00 in view of the pain and suffering Miss B has had to deal with throughout.

Putting things right

- Pay a further £250.00 compensation for the distress and inconvenience caused.

My final decision

I uphold this complaint in part.

I require Barclays Bank UK PLC to:

- Pay a further £250.00 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 28 March 2025.

John Quinlan
Ombudsman