

The complaint

Mr P is unhappy with Royal Bank of Scotland Plc. In 2021 RBS issued Mr P a cheque for more than £4,000.00 when he made a successful Payment Protection Insurance claim (PPI). Mr P said he was unable to pay the cheque into his account, firstly due to the pandemic and then due to his work commitments. So, the cheque has never been cashed and he hasn't had the money. He has asked RBS to pay him again, but it said he had enough time to cash the cheque and now it won't take further action.

What happened

Mr P said he had the original cheque at home. But said RBS could have placed the money in his account as it is with RBS. Mr P said he has been a customer at the same branch of the bank for 35 Years. After the pandemic Mr P said he was working 16 hour days for the following two years. He then had to work overseas and when he returned to the UK he was working and living at the other end of the country. When he did get a chance in 2024, he visited the branch to find out how he could pay the cheque into his account. He said despite repeated requests, many phone calls and discussions RBS isn't willing to cash the cheque even though it accepts it owed him the money.

Mr P said RBS responses were vague and lacked detail. He said now on top of it not paying him he had extra expense from going into branches and the phone calls he'd had to make. Mr P expects RBS to honour the cheque and he wants compensation interest too.

RBS confirmed the cheque was valid when it was issued in 2021 from a PPI claim. RBS said an uncashed cheque reminder letter was sent out to Mr P in April 2021. It said this letter reminded Mr P cheques are only valid for six months from the issue date. It also provided a Payment Details form so Mr P could note which RBS account he would like RBS to pay the money into. It said if he chose this option *"we must receive details of the account you wish us to make payment to within 28 days of the expiry date."* In the April letter RBS highlighted and underlined this final point *"Failure to provide this information will result in your offer being withdrawn and no further reminders will be issued."*

RBS said it didn't get any information back from Mr P. So, it said it couldn't act or re-issue the cheque. It apologised for this but maintained that Mr P had missed the deadlines. RBS said *"we wouldn't look to re-issue the cheque. Please be assured the bank has followed the right process."*

As Mr P remained unhappy, he brought his complaint to this service.

Our investigator didn't uphold the complaint. He said RBS sent the cheque reminder letter in April 2021 and had done enough to make Mr P reasonably aware of what might happen if he didn't pay in the cheque. He didn't think RBS had made any mistakes and Mr P had a reasonable amount of time to cash the cheque or provide his preferred account details. Our investigator didn't think RBS needed to do anything more.

Mr P didn't accept this and asked for his complaint to be passed to an ombudsman.

In my recent provisional decision, I said:

"It's accepted that the cheque was correctly issued to Mr P in the first place. And that he was in possession of it at his home address.

I don't think there's any dispute he was receiving his post and so its likely apart from the cheque he also received the reminder letter in April 2021 from RBS telling him he had a six month time limit to cash the cheque.

Mr P suggests he made no attempt to contact RBS or pay the cheque into his accounts until 2024. But said it was clear that RBS owed him the money and he hadn't received the money.

Mr P is clear that he simply couldn't cash the cheque and RBS could have paid it directly into his account but chose not to. Mr P said there was nothing stopping RBS from paying the money directly into his bank account from the start.

Mr P confirmed he was actively engaged in trying to recover the money now. Mr P said if he didn't get action through this service, he would take RBS to court.

I find it very hard to accept that RBS's action here is fair and reasonable.

There's a clear acceptance that the money is owed by RBS to Mr P. I agree with Mr P that as an RBS customer there was no reason why RBS couldn't put the money straight into his account for him.

I accept in many circumstances applying the six month time limit to a cheque would be perfectly reasonable. But I don't see how this is one of those times. RBS knows and accepts it owes this money to Mr P. This is not a cheque from another individual or even another organisation - the cheque is written by RBS. RBS knows that Mr P is entitled to it, and I think it should cash the cheque for him by paying the full amount directly into his RBS bank account.

Mr P said as RBS has had the benefit of his money all along, he should get interest for the whole period too. But I don't think that's fair. I accept Mr P may have had difficulty paying the cheque in, but I can't hold RBS responsible for the delay. That delay was with Mr P. So, I think a fair outcome would be for RBS to pay 8% simple interest per annum from the final response letter it issued on 29 July 2024 up to and including the date of settlement. That should also be paid directly into Mr P's bank account. That covers the period of time when Mr P clearly wanted to have the cheque cashed and use his money. It also covers the time when RBS was aware of all the details and chose to decline payment after giving the issue its full consideration. I think that's a fair and reasonable outcome in the circumstances of this complaint."

Responses to my provisional decision

Neither party responded to my provisional 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.

As there were no responses, I see no reason to change my provisional decision. So, my provisional decision will become my final decision.

Putting things right

- Pay the full value of the cheque into Mr P's RBS bank account.
- Pay 8% simple interest per annum from the final response letter dated 29 July 2024 up to and including the date of settlement. This amount should also be paid directly into Mr P's RBS bank account.

My final decision

I uphold this complaint.

I require Royal Bank of Scotland Plc to:

- Pay the full value of the cheque into Mr P's RBS bank account.
- Pay 8% simple interest per annum from the final response letter dated 29 July 2024 up to and including the date of settlement. This amount should also be paid directly into Mr P's RBS bank account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 20 May 2025.

John Quinlan
Ombudsman