

The complaint

Mr W complains that HSBC UK Bank Plc wrongly returned a cheque he issued causing him distress and inconvenience and says he's unhappy with its processes.

What happened

Mr W explains that he opened an account to make payments on behalf of his cousin when she was seriously ill. And that after she passed away he needed to pay a service charge on her behalf. He wrote a cheque for £2,338. And he's unhappy that this wasn't paid even though he'd returned a call to HSBC on 12 August 2024 to confirm it was genuine. He says he also wasn't satisfied to be receiving a call about this from an overseas call centre, and he suspected that might be a scam call.

HSBC said it hadn't made a mistake. It said that the cheque was held for some additional checks before it could be paid. And in line with its policy as it couldn't speak to Mr W it was returned. HSBC said that the timeframe allowed that day until 1.30pm was one set to provide the best service it could while protecting Mr W's account. It also said it had no plans to change its use of staff based around the world. It said to Mr W that it did *"extend an apology to you[] around any embarrassment, distress or inconvenience caused due to the cheque being returned as this was not our intention."*

Our investigator didn't recommend that the complaint be upheld. She said that HSBC had systems in place to protect its customers. And she was satisfied that it followed its processes. She understood that Mr W had been able to reissue the cheque, and she hadn't seen that any financial loss had resulted.

Mr W didn't agree and wanted his complaint to be reviewed. He said in summary that we'd sided with HSBC, and he felt patronised. And we'd ignored his concerns about receiving overseas calls from HSBC. There were more than adequate funds to pay the cheque. This issue came at a particularly difficult emotional time. Mr W said that no substantive and valid explanation had been given for the cheque being returned. And he'd also not had an appropriate apology, and he wanted to ensure that other customers weren't affected in the same way.

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 know that Mr W issued this cheque while dealing with personal loss. And he explains he felt especially embarrassed that this was returned with a consequent impact on the reputation he feels both for him and his late cousin.

I need to say that he agreed to the terms and conditions of the account when he opened it. And these allow HSBC to refuse to make a payment in certain circumstances. Here the

relevant one was that it had concerns about whether this cheque was genuine or not. And that was based on its own systems and triggers and which for security reasons aren't something it discloses.

There is a limited time for HSBC to make a decision about whether to pay a cheque. And here I understand HSBC phoned Mr W at 11:35am on the morning of 12 August 2024 about the cheque that had been presented for payment and left a message. He didn't return the call before the cut off had expired and so the cheque was returned. I note he says in his submissions that he had difficulty understanding the voice message and had some specific hearing issues that day. He also suspected a potential scam and says he checked the number to call and would be cautious about disclosing information.

It's unfortunate here that a cheque that was in fact genuine was returned. HSBC has shown that it followed its processes around that and couldn't receive the confirmation it needed in time. And having considered how those processes were applied in this case I don't find that there was a mistake, or this action was unreasonable. I'm afraid it's also a matter for HSBC to decide how to operate its call centres. And Mr W is alert to the potential for scam calls and that wasn't an actual factor in this complaint. Here he was able to speak with a genuine agent and find out that the cheque had been returned.

I've seen that a member of branch staff issued a letter for Mr W the next day to give to the recipient of the unpaid cheque. This confirmed Mr W wasn't to blame for the return and apologised for the inconvenience and embarrassment. I can also see that case notes were made to ensure that a replacement cheque would be paid. And that these were acted on when that was presented for payment. These were all appropriate steps for HSBC to take.

For the reasons I've given I'm afraid I won't be requiring HSBC to take any further action. I understand Mr W will be very disappointed given his strong feelings about what happened.

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 Mr W to accept or reject my decision before 22 July 2025.

Michael Crewe
Ombudsman