

The complaint

Mr and Mrs S complain that Clydesdale Bank Plc trading as Virgin Money (Virgin) acted unreasonably when they deposited a foreign cheque into their account.

What happened

Mr and Mrs S deposited a cheque for €1,869.00 in a Virgin branch on 20 January 2025.

Virgin attempted to communicate with the overseas entity using SWIFT (a secure, messaging network that banks and financial institutions use to send and receive information about financial transactions, such as payment instructions, without directly touching the money). Those attempts proved unsuccessful, so it sent the cheque, by courier, to the issuer's cheque collections department on 29 January 2025. It received confirmation that it was signed as received the following day.

As the funds hadn't been credited to Mr and Mrs S' account by about 10 February 2025, they complained to Virgin.

Virgin responded the following day and partially upheld the complaint. It explained that it can take approximately 6-8 weeks for funds to be credited into a Virgin account when a cheque is deposited with an overseas bank – although it said its payments team regularly chases things up to try and speed up that process. Although Virgin was satisfied it had followed the correct process in Mr and Mrs S' case, it acknowledged that it should have explained the usual timescales at the outset. Virgin apologised for its shortcomings in that regard and said it had given feedback to the branch that Mr and Mrs S visited.

By mid-March 2025, the cheque still hadn't been credited to Mr and Mrs S' account. So, they contacted Virgin again. They also contacted the Financial Ombudsman Service. In their communication, they mentioned the stress the delay was causing and the fact that they were having to juggle their finances to compensate for Virgin's poor service. They continued to chase updates from Virgin during March 2025.

It seems that by late April 2025, Virgin suggested to Mr and Mrs S that they might want to contact the issuer of the cheque to ask for it to be stopped and the funds settled by other means. It appears they acted on this suggestion.

Virgin sent Mr and Mrs S a further response (which had come via its foreign cheques department) on 24 April 2025. It said, amongst other things, that it had tried to chase things up with the overseas entity, but it hadn't received a response. So, it was still unable to credit Mr and Mrs S' account with the proceeds from the cheque.

Our Investigator issued her opinion. She said she was satisfied that Virgin had tried to communicate with the overseas bank using typical industry standard methods. And when those attempts failed, she didn't think there was any other way that Virgin could have securely communicated with the overseas bank. However, she concluded that Virgin caused Mr and Mrs S upset by failing to explain, at the outset, the timescales involved when depositing foreign cheques (an omission that Virgin had acknowledged in its own complaint response). She recommended that Virgin pay £100 compensation to Mr and Mrs S in respect of the frustration caused by its handling of things.

Virgin accepted the Investigator's assessment and recommendation, but Mr and Mrs S didn't. They made a number of comments in response. Those included:

- They still don't have their funds, and they blame Virgin for losing the cheque and abandoning them.
- Virgin's system caused the problem, and they should be able to track a cheque sent to an overseas bank.

They asked for their complaint to be referred to an Ombudsman for a final determination. It's been assigned to me to decide.

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 can entirely understand why Mr and Mrs S are concerned. Having deposited a cheque for a fairly sizeable sum of money, not only were they no closer to being able to access their funds after several months, but they became increasingly concerned that their cheque had gone astray. And they clearly feel that Virgin is responsible for that and that it didn't do enough to help them.

There's no doubt that there were delays and complications once Mr and Mrs S deposited their cheque. However, based on everything I've seen, I can't fairly say those issues were down to Virgin's systems or poor processing. Overall, I'm satisfied it took reasonable action to process the cheque in line with its usual methods. I appreciate that's likely to be more disappointing news for Mr and Mrs S, so I hope the reasons I've given below are helpful in explaining how I've arrived at this decision.

I note the cheque Mr and Mrs S deposited wasn't drawn by a traditional overseas commercial bank. It seems it was issued by an overseas government department (which I understand typically handles the administrative affairs of the state). This appears to have complicated matters slightly.

I say that because it's fairly typical within the banking industry for businesses such as Virgin to try to communicate with an overseas bank by SWIFT. However, it also needs a compatible Bank Identifier Code (BIC).

Virgin's explained that SWIFT codes containing certain formats can't be used when communicating with overseas banks. And the code it identified for the issuer of the cheque in question was one that it couldn't use to communicate in this way.

Based on what I've seen and Virgin's responses to me, I'm satisfied that it attempted to communicate with the overseas entity in a way that it thought might speed things up for Mr and Mrs S. I think it was in their interests for it to do so and was a reasonable action for it to take.

Further, when its attempts proved unsuccessful, the evidence suggests it escalated matters internally and subsequently received a postal address for the cheque collections department within the entity that issued the cheque. It then couriered the cheque to that department on 29 January 2025. Virgin has confirmation from the courier service that it delivered the cheque to the relevant department and that it was signed for on 30 January 2025.

In the circumstances, I think Virgin probably had little option but to send the physical cheque for processing. And in arranging to send it by courier, I think it took reasonable steps to try

and make sure it was safely received. Further, all of this happened in little over a week after the cheque was deposited into Mr and Mrs S' account. I'm satisfied therefore that there were no undue delays on Virgin's part.

I realise that Mr and Mrs S have a very different perspective about what happened and think Virgin lost the cheque. From the evidence I've seen (as referred to above), I'm satisfied that's not the case. It seems more likely, on balance, that the cheque went astray once it was received by the issuer.

Mr and Mrs S have made other comments along the lines that if Virgin couldn't deliver a cheque deposit service it shouldn't have offered one. Their comments again seem to stem from the fact that they believe Virgin lost their cheque or otherwise had no means of tracking it. But I don't agree that's what happened.

And as loyal customers of Virgin's for many years, they also clearly believe it should have done more to help them. As far as Mr and Mrs S are concerned, Virgin simply washed its hands of the situation and left them to sort things out.

I'll say first that once Virgin had sent the cheque for processing, I don't think it was under any obligation to do much more. Despite that, I'm satisfied Virgin does appear to have attempted to contact the entity that issued the cheque. Generally speaking, I think it's for whoever deposited the cheque to follow things up.

Having said that, I do have some sympathy with Mr and Mrs S here. In this particular situation, if Virgin had taken some additional steps, it might have enabled the matter to be resolved much sooner. And, it may have helped reduce the worry that they were clearly facing.

For instance, I think Virgin could have helped put their minds at ease by confirming it had sent the cheque by courier. And had it shared the tracking number with them, it might have enabled them to follow things up with the issuer much sooner.

Further, Virgin appears to have suggested in late April 2025 that Mr and Mrs S contact the remitter of the cheque to ask for it to be cancelled and the funds settled by other means. This may have been what prompted them to contact the issuer. Arguably, this is a step that Virgin could also have taken a little earlier. In turn, these additional steps might have helped reduce their worry and frustration.

In summing up, I recognise that this was clearly a stressful situation for Mr and Mrs S. I also accept their testimony that they had to make other financial provision whilst waiting for the funds from the cheque to be received into their account. However, as I'm satisfied that Virgin generally took reasonable steps to process the cheque, I can't fairly say that any other financial arrangements they had to make was due to poor service on Virgin's part. That said, I am directing Virgin to pay Mr and Mrs S compensation of £100 (they say that Virgin previously offered to pay £50 compensation, but Virgin disputes this. If that sum was actually paid, the amount I'm awarding should be paid in addition to it) to recognise the added frustration caused at a time that was already difficult for them. I'm satisfied this sum fairly recognises the impact caused by the limitations of some of Virgin's communication and support.

My final decision

I uphold the complaint in part. Clydesdale Bank Plc trading as Virgin Money should pay Mr and Mrs S £100 in compensation for the reasons I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs S to accept or reject my decision before 27 October 2025.

Amanda Scott
Ombudsman