DRN-5747124

Financial Ombudsman Service

The complaint

Mr A has complained that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ("NatWest") applied a charge to process a foreign cheque, before the proceeds of the cheque were deposited into his account.

What happened

Mr A paid a US Dollar cheque into his NatWest account on 10 March 2025, but a charge to process the cheque (£5.50) was debited from his account before the proceeds of the cheque appeared in his account.

Unhappy with this, Mr A complained to NatWest. NatWest issued its final response letter on 20 March 2025 and didn't uphold the complaint. In summary, NatWest said that there was no bank error in applying the foreign cheque charge on Mr A's account before the proceeds of the cheque were credited to his account.

After Mr A referred his complaint to this service, one of our investigators assessed the complaint, and they didn't uphold it.

As Mr A didn't accept the investigator's findings, the matter was referred 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.

Having reviewed everything, I don't uphold this complaint. I will explain why.

I understand that Mr A is unhappy that NatWest applied its charge to process a foreign cheque before the proceeds of the cheque had been paid into his account. To demonstrate this, Mr A provided a screenshot of his account which shows the foreign cheque negotiation fee being applied on 14 March 2025, even though the proceeds of the cheque were paid into his account on 18 March 2025.

When the cheque was paid in to NatWest, I can see that Mr A was sent a cheque negotiation credit advice note on 14 March 2025. This explained that the $115.51 USD had been converted into £87.07 GBP and had a value date of 18 March 2025. It also explained that £5.50 in 'Commission Charges' would be charged to process the transaction.

Mr A has complained because he only received this notification after the processing fee had debited his account. But I understand that when Mr A paid the foreign cheque in, he would've been required to sign a form confirming that he agreed to NatWest's terms and conditions concerning the negotiation process for his cheque. Within those terms and conditions, it explained that his account will be debited for the cost to process the cheque (although NatWest has not provided a copy of the form that Mr A signed). And if Mr A wanted to know how much NatWest would charge him, then he could've asked NatWest at the time he paid his cheque in. Furthermore, Mr A had paid in foreign cheques in 2023 and was charged the same amount i.e. £5.50, for them. So he would have been aware of the charge from these earlier transactions.

So I'm satisfied that, when Mr A paid his foreign cheque in March 2025, he was aware that he'd be charged a processing fee and he had the opportunity to ask how much it would be. And he was sent a notification on 14 March 2025 confirming how much that would fee was. And given that the fee is to contribute towards NatWest's costs in processing the cheque – which would've started from when he first handed the cheque in to be paid - then I don't think it is necessarily unreasonable if Mr A was charged that fee *before* the proceeds of the cheque were paid into his account.

I note that Mr A had complained about this exact same issue in 2023. I have been provided with a call recording from one of the previous complaints. It seems that the member of staff who'd dealt with the previous complaint had erroneously thought that the fee appearing on the account before the proceeds of the cheque were paid in was a mistake made by NatWest. But in response to this complaint, NatWest has confirmed that it is in fact it's standard process and is not an error.

Given what Mr A was told in the previous complaint, I can understand why Mr A has complained about it again, if he was under the impression that it was a mistake repeating itself. But equally, in his previous complaint, the complaint handler did say that they didn't know when their systems would be changed and so warned Mr A to expect to see the fee being deducted from his account before the proceeds of any foreign cheques are paid into his account.

Finally, Mr A has said he is concerned that, if the fee is debited from his account early and he doesn't have any money in his account already, then his account could go overdrawn. But that didn't happen here. He already had money in his account. So, I can't see that he incurred any fees, charges or incurred a financial loss as a result of the fee being deducted before the proceeds of the cheque were paid into his account.

Therefore, based on everything I have seen, I'm unable to say that NatWest has acted unfairly or unreasonably here, and even if I thought it had, I can't see that Mr A has incurred a financial loss. As NatWest has confirmed the above is the correct process, going forwards, if Mr A pays any further foreign cheques into his account, he should expect to see the cheque processing fee appear on his account, prior to when the proceeds of the cheque credit his account.

My final decision

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 1 October 2025.

Thomas White
Ombudsman