

The complaint

Mr R complains about how Santander UK Plc (Santander) treated him after a cheque he wrote from his Santander account was paid into another bank.

What happened

In December 2024, Mr R wrote a cheque drawn from his Santander account, and paid it into his account he holds with another bank who I'll call B. A few working days later, B wrote to Mr R saying the cheque had been returned unpaid with a reason stated as 'fraud cheque'.

As a result, Mr R complained to Santander as he said he had issued similar cheques previously which had been honoured without issue. Santander investigated but said they needed further information. They said the cheque had been rejected as fraudulent, but they could not confirm why this was the case, and asked Mr R if he could provide a copy of the cheque. Santander added that they would request internally for the cheque to be found.

Unhappy with Santander's response, Mr R queried the issue with them so Santander reviewed the complaint. Santander said their decision remained unchanged but said they did not label the cheque as fraudulent and that there was an error when the cheque was scanned.

In the meantime, Mr R also raised a complaint with B who after investigation said that they acted on Santander's instruction in terms of returning the cheque, and Santander confirmed to B that the reason the cheque was returned unpaid was 'suspected fraudulent'.

Dissatisfied with the lack of clarity, Mr R brought his complaint to our service so our investigator liaised with Santander who responded and said they had identified an error and would look to uphold the complaint.

Santander noted that the cheque was payable to 'cash' which differed to other cheques Mr R issued which were payable to a named individual. And it was the payee aspect which would have prompted B to stop the cheque. Santander said that the cheque decline was not a Santander error however, the service that Santander provided to Mr R could have been improved so they regarded it as fair to offer £200 for distress and inconvenience. Plus, Santander offered to pay for the many phone calls that Mr R made to them as part of the complaint. Our investigator thought Santander's offer was fair and asked Mr R to consider it.

Mr R disagreed with this outcome and requested an ombudsman review his complaint, being unhappy about the contradictory information about why the cheque was returned

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've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I empathise with Mr R's confusion as I'm very aware that Santander are saying B instructed for the cheque to be returned, yet B have said that it was Santander that was responsible.

Further, I want to acknowledge Mr R's submissions, one of which includes a letter from B in which they state that Santander gave the cheque return reason as 'suspected fraudulent'. I've seen this letter and can understand that this does not align with what Santander said after their review i.e. that they never made such a statement. My view is that this aspect of the complaint may not ever be clarified therefore I want to move on and concentrate on the other aspects of the case.

Firstly, Santander have taken ownership for the poor service they provided to Mr R after he brought this to their attention and attempted to compensate him by their offer of £200 and reimbursement of telephone call costs.

The second point I wanted to address was the payee aspect. Mr R previously said that this cheque was made out exactly as previous cheques he had issued which had been processed without any problems. But as I have seen, the cheque in question was made out to cash which I'm persuaded was a significant contributory factor in its return. The fact the payee was not a named individual is something I consider to be a significant factor here in what happened to the cheque.

Finally, in terms of the compensation that Santander offered, looking at their offer through this service's lenses of fairness and reasonability, and considering the inconvenience to Mr R, I regard the compensation figure of £200 is fair.

Going forward, I note Mr R has expressed concern about future instructions in that he would not want any recurrence of this situation with Santander. I would think it beneficial for Mr R to revisit Santander's terms and conditions, in particular around cheques, and perhaps make contact with Santander if he remains unclear about their rules and processes.

Taking everything into account, I think Santander have acknowledged their errors and attempted to provide clarity around their process, thus showing they acted fairly and reasonably. Other than the compensation, I can't ask them to do anything further.

My final decision

For the reasons I have given it is my final decision that the complaint is upheld, and I require Santander UK Plc to pay Mr R £200, and reimburse the associated call costs on production of his phone bill.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 7 October 2025.

Chris Blamires
Ombudsman

