

## **The complaint**

L, a limited company, complains that Barclays Bank UK PLC made a mistake with its account mandate resulting in a cheque being returned.

## **What happened**

L explains that it issued a cheque for £140,000. It received what it describes as a generic letter saying that the cheque had been returned unpaid. And that the reason given was that Barclays didn't hold a mandate for the account. L was asked to contact Barclays. It did so and told Barclays a mandate had been signed before. L wasn't satisfied to be told that it would take up to five working days for this to be processed.

Barclays apologised for what happened. It said that its system wasn't updated after L had completed its account opening mandate form. Barclays said that the letter it had sent about returning the cheque wasn't sent in error as it was based on what it knew at the time. The mandate was updated from 12 February 2025. And it said that it wasn't part of its process to let L know that this had been completed. It also said it had handled L's complaint within normal timescales. Barclays offered to pay L £112.50 in compensation which included a £12.50 fee for cancelling the cheque.

Our investigator didn't recommend that Barclays do more than it had offered to. She said that it had accepted the mistake and didn't send personalised letters as part of its process and which was followed here. The compensation was appropriate.

L didn't agree and wanted the complaint to be reviewed. The director asked to see the evidence from Barclays and this was provided by our investigator. He wanted to know how the compensation had been arrived at. And how it had been concluded B was right to return the cheque. A mandate had been completed in 2024 and Barclays ought to have contacted L about the cheque.

## *My provisional decision*

I issued a provisional decision on 17 September 2025. I set out what I said.

I appreciated that L disagrees with the impression it said Barclays gave that it was correct to return the cheque. I took the view that what happened here was due to the root cause of the mandate not being loaded onto the system when the account was opened in 2024. It is fairly of little import to L that one part of Barclays didn't communicate with another. The process failed and the cheque ought never to have been returned for this reason. I noted that within that return process there is limited time to decide whether or not to pay a cheque. And there was a fundamental issue here which Barclays says couldn't have been corrected at that time. It says its process to load the mandate can take up to five working days and isn't to inform L when this is completed. Again, while that might be the process this all stems from the initial error and all ought not to have been necessary at the time.

I needed to assess the impact for L. In its submission to this service, it hasn't identified a specific financial loss due to delay in this payment. I noted that a further cheque was issued

after this one had been cancelled. I also needed to say that L as a limited company can't suffer distress and I couldn't take into account distress of the director in a complaint from L. I was looking at the inconvenience caused and I took into account our published guidance about compensation.

This large cheque was returned in error. L clearly had to deal with the payee and it had to speak to Barclays about the mandate and wait for this to be updated. It had to call to find out the mandate was loaded. And it issued a replacement cheque. I needed to say to L that complaint handling isn't a separate regulated activity and Barclays responded within the allowed timescales. I'd taken into account our published guidance about compensation. I characterised what happened here as a larger mistake requiring a reasonable effort to sort out. And that this caused L inconvenience as I've identified. So, I didn't consider the offer of compensation in this case to be sufficient. In my assessment a payment of £250 plus the cancelled cheque fee of £12.50 is appropriate.

### **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.

Barclays said that it agreed to pay the increased compensation. It asked for clarification about the way the mistake had been characterised in my provisional decision.

L didn't respond having been reminded of the opportunity to do so by our investigator.

I referred in my provisional decision to published guidance about compensation. The characterisation of this issue as a 'larger mistake requiring a reasonable effort to sort out' came from that guidance. And was one way in which I set out how I'd arrived at the compensation payment. There is no challenge in any event with my proposed compensation. And so, I see no reason to depart from the conclusions of my provisional decision and for the reasons I've already given.

### **My final decision**

My decision is that I uphold this complaint and require Barclays Bank UK PLC to pay L a total of £262.50.

Under the rules of the Financial Ombudsman Service, I'm required to ask L to accept or reject my decision before 21 November 2025.

Michael Crewe  
**Ombudsman**