

## The complaint

Mrs B is unhappy with NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY's ('NatWest's') handling of a USD cheque. This has led to losses for Mrs B, and she wants these reimbursed including the loss caused by exchange rate differences.

## What happened

I issued a provisional decision on this complaint, inviting both parties to let me have any further comments. Below is a copy of what I provisionally decided and why.

Mrs B deposited a \$479,184.31 cheque via a NatWest branch on 24 December 2024, this was processed and expected to clear within eight weeks. The cheque hadn't cleared by early February, so Mrs B chased NatWest and discovered that the cheque had been lost and no photocopy had been recorded. She was told by branch staff that she'd need to obtain a new one.

As the cheque was issued as inheritance, obtaining a new one was a difficult process for Mrs B. It involved signing declaration forms and indemnities that could mean she would lose the funds if someone else had managed to cash the original cheque. In late March 2025, the second cheque was presented to NatWest, and it was successfully cleared and converted to £371,588.52 on 8 April 2025.

Mrs B submitted multiple complaints to NatWest. Firstly, about the loss of the cheque and the hassle she would experience having to obtain a new one. She then complained about the exchange rate used on 8 April 2025 and that she would have received a better exchange rate if the first cheque had been processed correctly. She estimated that the original cheque would have cleared in mid-February.

NatWest accepted responsibility for losing the cheque and the effort Mrs B would go through to obtain a new one. They agreed that the first cheque was likely to have cleared on 17 February 2025, so they paid her £250 compensation and as Mrs B explained that the funds were intended for a savings account earning 3.9% interest, they also paid £2,742 for lost interest and notary fees. NatWest also agreed that Mrs B lost out due to the exchange rate differences between 17 February 2025 and 8 April 2025. Mrs B said that the money should have been paid at a rate of 1.25 GBP to USD, but NatWest thought it should have been 1.2884 and offered £255.86 to recognise the exchange rate losses.

Mrs B remained unhappy, so she referred the complaint to our service. She didn't think NatWest's response recognised the stress and difficulty she went through when obtaining the second cheque at a difficult time. She also didn't think their response recognised the losses she'd incurred as a result of the error.

Our Investigator reviewed the complaint and didn't think the compensation offered

recognised the impact the loss of the cheque had on Mrs B. They also agreed that the difference in exchange rates should be paid based on the rate on 17 February 2025. So, they recommended a further £250 compensation and that NatWest recalculates the payment amount and interest award based on the historical rate on that day.

In response, Mrs B queried why she wasn't made aware of the rate and the included margin before the cheque was deposited, and she didn't feel the exchange rates reflected the mid-market rates at the time. She also didn't think that £255.86 offered was correct, as she thought it should be closer to £10,000 based on the rates on 17 February 2025.

The decision was passed to me, and I made Mrs B aware that her complaint point about disclosure of the exchange rate and the margin hadn't been raised to NatWest, or our service previously. As such, it's not one we can consider as part of this complaint – which she accepted. I confirmed that I can consider whether the exchange rate calculations were reasonable as this was raised to NatWest as part of her complaints.

### **What I've provisionally 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.

#### *The loss of the cheque*

I can see that NatWest has accepted error in losing the first cheque and the consequences this led to, and there's no dispute over this. The cheque was deposited on 24 December 2024 and if processed within the eight-week timescale, it would have cleared by 18 February 2025. The parties have agreed that 17 February 2025 would be a suitable date to estimate the clearance of the first cheque, and I see no issue with this. However, the evidence suggests that the value of the second cheque was \$479,084.31 and not \$479,184.31 which is likely due to NatWest deducting processing charges before it's converted.

Mrs B believes that she's lost close to £10,000 as she expected the exchange rate on 17 February to be close to 1.25 GBP to USD. After reviewing the market rates on the day, I don't agree that this is correct. But I do currently think the exchange rate information NatWest has provided Mrs B and our service with to support the £255.86 was incorrect.

The second cheque was converted on 8 April 2025 using a GBP to USD exchange rate of 1.289287158 resulting in £371.588.52. The recent evidence provided by NatWest shows that this included a 0.9% margin added to the base rate of 1.27769258. This suggests that NatWest provided the incorrect exchange rate in their response to Mrs B.

NatWest originally advised that the indicative rate on 17 February 2025 was 1.2884, I also think that this exchange rate was incorrect as they've recently confirmed that the indicative rate for a cheque payment of this size would have been 1.2710. I've done some research and calculations to verify this and based on the below, I think this is accurate.

I've been provided with NatWest's market rates for 17 February 2025, which ranged between a market low of 1.2582 and a high of 1.2634 – a margin of 0.9% would have been applied to this to reach the exchange rate available to Mrs B. I must stress that the rate provided is indicative for a transaction placed on the day and would fluctuate based on the time of day that the transaction would have been completed. However, I've tested the market

rates provided and they are in line with what I've found from multiple online sources, so I'm satisfied that I can rely on them.

I'm unable to know the exact exchange rate that would have applied at the time the transaction was completed as the rates fluctuate every minute. However, I've found that after a 0.9% margin is added, the obtainable market high rate would have been 1.2748 and the obtainable market low rate would have been 1.2695. Based on this, I think the indicative rate of 1.2710 GBP to USD is within a reasonable range of what Mrs B was likely to have received had the cheque not been lost, and instead cleared on 17 February 2025.

As such, the \$479,084.31 cheque would have been converted at an approximate exchange rate of 0.78678206 USD to GBP (the inverse of 1.2710) which would have resulted in £376,934.93 crediting Mrs B's account. So, I agree with Mrs B that she lost out due to the fluctuation in the exchange rates which has led to a difference of approximately £5,346.41.

### *The impact on Mrs B*

I can see that Mrs B's been through a great deal of inconvenience in having to get the high value cheque reissued and this would have been even harder after suffering a bereavement. I think the lack of support from NatWest during this time, along with the incorrect information being provided about their rates and processes would have compounded this impact. I agree with the Investigator that a further £250 compensation should be paid to recognise this.

NatWest has already paid the costs incurred by Mrs B to obtain the new cheque and I can see that they agreed to pay her the lost interest she would have gained – which Mrs B has said was based on a savings account earning 3.9%. As she's lost out on the above exchange rate difference crediting her account from 17 February 2025, they will also need to pay interest on the difference.

### **My provisional decision**

Based on what I've seen, I'm currently minded to uphold the complaint and direct NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY to do the following;

- Pay a further £250 compensation.
- Pay the difference on the cheque balance credited on 8 April 2025 and the cheque balance that would have been credited on 17 February 2025 at an exchange rate of 1.2710 GBP to USD. I estimate this to be approximately £5,346.41.
- Pay 3.9% simple interest on the above from 17 February 2025 to the date of settlement.

### Responses

I asked for both parties to let me have their responses by 26 November 2025. Mrs B responded accepting what I had said. NatWest responded with further evidence to support the exchange rate which would have applied on 17 February 2025.

NatWest has provided evidence to show that the rate they would have applied to the payment on 17 February 2025 would have been 0.786258331 USD to GBP (the inverse of 1.2718466191 GBP to USD). They provided a breakdown of their obtainable spot rates for that day.

## **What I've provisionally 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.

NatWest has provided their obtainable base rates to support the new exchange rate provided. I can see that the base rate before the 0.9% margin is applied would have been close to the mid-market rates shown by multiple sources for that date. As such I'm satisfied that the rate provided is a reasonable reflection of what Mrs B would have received had the cheque cleared on 17 February 2025.

This means that the cheque clearing on 17 February would have likely meant that Mrs B would have received £376,684.03 instead of £371,588.52 – so NatWest should be held liable for the difference of £5,095.51.

## **My second provisional decision**

Based on what I've seen, I'm currently minded to uphold the complaint and direct NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY to do the following;

- Pay a further £250 compensation.
- Pay the difference between the cheque balance credited on 8 April 2025 and the cheque balance that would have been credited on 17 February 2025 at an exchange rate of 1.2718466191 GBP to USD. I estimate this to be approximately £5,095.51
- Pay 3.9% simple interest on the above from 17 February 2025 to the date of settlement.

## Responses

I asked for both parties to let me have their responses by 10 December 2025. Mrs B responded accepting what I said, NatWest didn't respond.

## **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.

Given that I haven't been presented with anything compelling disagreeing with my provisional decision, I see no reason to depart from it and so I fully adopt this as part of my final decision. My conclusions are that NatWest has acted unreasonably and must pay Mrs B compensation to put things right, I assess that the below should be paid to resolve the complaint in full and final settlement.

## **My final decision**

My final decision is that I uphold the complaint and direct NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY to pay Mrs B;

- A further £250 compensation.

- The difference between the cheque balance credited on 8 April 2025 and the cheque balance that would have been credited on 17 February 2025 at an exchange rate of 1.2718466191 GBP to USD. I estimate this to be approximately £5,095.51

- 3.9% simple interest on the above from 17 February 2025 to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 28 January 2026.

Chris Lowe  
**Ombudsman**