

complaint

Mr N has complained that Bank of Ireland (UK) Plc's rejection of his cheque and application for a Growth Bond was contrary to the applicable terms and conditions and information that he was given. Mr N would like an apology from Bank of Ireland (BOI) along with measures put in place to ensure that others are not inconvenienced as he has been.

background

I issued a provisional decision in which I said I intended to uphold the complaint. A copy of that decision is attached.

In response, Mr N said that he had no further information to submit. BOI said that, whilst it did not agree with my view, it was prepared to accept my provisional decision.

my findings

I have reviewed all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Having done so, and bearing in mind that further submissions have not been made, my view of the complaint remains the same as that expressed in the provisional decision.

my final decision

I uphold the complaint.

I order Bank of Ireland (UK) Plc to supply Mr N with an apology and £200.

David Bird
ombudsman

COPY OF PROVISIONAL DECISION

complaint

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background

The adjudicator did not uphold the complaint, on the basis that BOI's refusal to accept the cheque provided by Mr N fell within the exercise of its commercial judgment.

Mr N disagreed with this assessment on the basis that BOI acted contrary to the relevant terms and conditions (regarding what was an acceptable form of deposit).

my provisional findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I believe Mr N is correct when he says that this service should be able to consider whether Bank of Ireland have adhered to its terms and conditions. It is not for me to interfere in *how* BOI sets its terms but I can consider if it has adhered to them when dealing with a potential customer.

Bank of Ireland have said that they could not accept the cheque because it was a 'third party cheque'. I do not wish to identify the other institutions as they are not party to this complaint so I will call the issuer of the cheque Bank A and the bank from which the money was drawn for the cheque, Bank B.

Bank A issued the cheque in Mr N's name. The money was drawn from bank B.

Bank of Ireland's terms, on the application form, say:

The initial deposit must be either a personal cheque drawn in your own name from your own bank account or a cheque drawn by a financial institution with you as the payee e.g. a Building Society cheque made payable to you.

So, we can see that the cheque did not comply with the first part of the term; it was not a personal cheque drawn in Mr N's own name. But the second part of the term allows acceptance of a cheque not drawn on a personal account (at least it does not specify that); it provides that the cheque merely needs to be drawn from a financial institution with 'you' as the payee. In this case Mr N was the 'you'.

In the full terms and conditions for the growth bond, under 'Deposits', it is stated:

12. Cheques must:

- *Be crossed 'account payee' and made payable to your name(s).....*
- *Have your name and address written clearly on the back.*

Mr N's cheque did comply with the first requirement. I have not seen the back of the cheque and assume it did comply, but in any event, BOI did not say that was a reason for not accepting the cheque.

In my view Mr N's cheque complied with the terms and conditions. BOI's responses to Mr N's concerns and to this service do not explain adequately why the cheque was not acceptable; at least they are reasons that are not supported by the terms and conditions which BOI seek to rely on; there is no mention of third party cheques not being acceptable in those terms. If BOI wished to check Mr N's identity and that was the real reason they did not accept the cheque then they should have said that and I would have thought it would be relatively straightforward to check his identity.

When considering what is necessary to put this matter right, I have not currently seen evidence that a financial loss has been caused; but Mr N has not asked for that. What he has asked for is an apology, which I currently believe BOI should give and that changes are put in place to prevent this happening to other customers.

The ombudsman service is not the industry regulator and it is not within my remit to order a business to change its general practises but BOI may want to review its information for prospective customers in future. It is also not my remit to order businesses to accept certain customers but if it wishes to decline to do so it should state clearly why; its responses to Mr N I believe would have caused confusion.

Although Mr N has not asked for financial compensation I believe this matter would have caused him some inconvenience and therefore intend to award him £200 in this respect.

my provisional decision

I currently intend to order BOI supply Mr N with an apology and £200.

David Bird
ombudsman