

complaint

R, a limited company, complains that HSBC Bank Plc doesn't have robust tracking systems in place to ensure cheques they deposit through a third party (P) are credited to their bank account on time.

background

On 25 October 2016 Mr B, a director of R, paid a cheque into R's bank account using his local P cheque depositing service. On 29 October the cheque had not credited the account so Mr B contacted HSBC. The bank told Mr B that they would look into this and the cheque finally credited the account on 3 November.

Mr B was troubled that there was not a robust system in place to track cheques and so complained to the bank. The bank accepted that there was a delay in crediting R's account, yet could not identify whether the delay had been caused by P or the bank. They offered Mr B £100 compensation. Mr B was not happy with this reply. He felt that the bank was not giving his complaint proper attention and so he complained to our service.

In the early stages of his complaint to us Mr B told us that another cheque he had deposited with P had not been credited to R's account in a timely way and so the adjudicator took this new information into consideration.

The bank accepted that the initial cheque had taken too long to credit the account and in her findings the adjudicator confirmed this by checking with HSBC's cheque clearing policy. But she also found that the second cheque, deposited on 11 January 2017, was credited to R's account in accordance with the policy timeline.

The adjudicator explained that she wouldn't be asking the bank to change its processes. In her opinion £100 was a fair and reasonable offer from the bank.

Mr B did not accept this response and so his complaint has passed to me.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've reviewed the details of the cheque deposits Mr B has complained about including comparing timelines to those of HSBC's cheque clearing system. The first cheque, deposited in October, did exceed the transaction time. I agree with the adjudicator that funds should've been available on 31 October. And I'm pleased that the bank has accepted that it made an error. While P has said that the cheque collection process is very controlled they were not able to provide any details regarding the cheque deposited on 25 October.

According to the transaction timeline, the second cheque, deposited on 6 January, should've cleared by 12 January. This takes into consideration that cheques deposited at P on a Friday will not be collected until Saturday. As funds were available on 11 January I agree with the adjudicator that the bank has not made any error with this second cheque.

I know that cash flow is very important to a small business and the delay in clearing funds has been worrying for Mr B and R. I also appreciate that with bank branch closures, using P

is a convenient way to deposit cheques. Understandably Mr B would like an investigation and explanation for the delay and reassurance that this is being taken seriously within the bank. As far as I can see there has been only one incidence of a delay in clearing a cheque and the bank has accepted the error.

I note that Mr B has asked me to pass this complaint on to the Financial Conduct Authority (FCA). Our role at the ombudsman service is to resolve individual disputes between businesses and consumers. We have the power to get things put right in the individual cases referred to us if we decide a business has got it wrong and a consumer has lost out as a result. We do not tell a business how it should treat all consumers or how it develops its internal policies.

HSBC has said it will pass Mr B's comments to the relevant department for future service enhancements and they'll conduct a root cause analysis. It seems reasonable for me to conclude that they will do this.

HSBC has offered R £100 for inconvenience caused and I agree with the adjudicator that this is a fair offer.

my final decision

My final decision is that HSBC Bank Plc should pay R £100, as originally offered, unless they've paid this to R already.

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 10 May 2017.

Maxine Sutton
ombudsman