

complaint

Mr W complains about how The Co-operative Bank Plc ("Co-op") dealt with his concerns about a cheque which was taking a long time to clear.

background

Mr W said that he paid a cheque in to Co-op on 10 May. He used a third party company which accepts cheques for his bank. Mr W called Co-op on 17 May, because the cheque hadn't cleared. He said that he was told then that Co-op couldn't raise a complaint for him, because of the time, and he was told to call back in a few days. But he said that after this he got a letter saying that his complaint had been resolved.

Mr W said that this has happened before, but only seems to happen with large cheques. He said that he has his own business, and he has to take time out of that to chase up payments. He wanted to know what was going wrong, and he wanted Co-op to pay him compensation.

Co-op told us that when Mr W rang, he was told he would have to wait ten working days after the cheque was deposited before an investigation could be started.

Co-op sent us the terms and conditions of Mr W's account. Those set out a standard 2-4-6 approach to depositing a cheque, which is common to many banks. The terms say that on day 2, the money from the cheque will be counted as part of any interest payment calculations. On day 4, the account holder can access the money. And day 6 is the last day that the paying bank can recall the amount that the cheque was for.

Those terms and conditions also say that if Mr W pays a cheque in through a third party which accepts cheques for the Co-op, then those cheques will normally take two business days to reach Co-op. Co-op says that the 2-4-6 timings will start when it receives the cheque. But Co-op told us that on occasion it can take more than two working days for the cheque to be received. So Co-op said it wouldn't start to investigate a missing cheque until ten working days have passed from the date when the cheque was deposited, and the sender has confirmed that the money has come out of their account.

Co-op said that it had raised a complaint on 17 May when Mr W rang, because he was unhappy that he couldn't start tracing his cheque straight away. Co-op rejected that complaint on that call, then wrote to him to confirm that. Mr W then rang again on 22 May, but the advisor said that this was only the eighth working day, so Co-op still wouldn't be able to try to trace the cheque. Co-op said that it told Mr W then what further information it would need to trace the cheque in the future.

Co-op said that Mr W's cheque was actually received on 22 May, but no one who was on the phone to Mr W that day could've known that at that time. The funds credited his account on 23 May but were recalled on 24 May. Co-op said that the cheque appeared to have been cancelled by the sender.

Co-op didn't think it had made a mistake.

Our investigator didn't uphold this complaint. She said that Co-op had explained its process for clearing cheques and for tracing missing cheques clearly. The funds would've been available to Mr W by 24 May, on the tenth day after the cheque was deposited, if it hadn't been cancelled. Our investigator appreciated that Mr W had faced a problem with a cheque

paid into Co-op previously, but she didn't think that in this case Co-op had made an error or provided a level of service that warrants compensation.

Mr W didn't agree with that. He said that he had now received a reissued cheque, and he had cashed that quickly with a different bank. He said that the Co-op's written guidelines for cheques say two days. Nowhere does it mention ten days. He said if he had known that, then he wouldn't have used Co-op again, especially after it had lost a cheque previously.

Our investigator said that Co-op had processed the cheque within two days of receiving it. But Mr W said that he'd put the cheque in on 10 May, he first rang on 17 May, and he rang again on 22 May, which was 12 days. He thought he'd waited far too long for this cheque, and that Co-op should be held accountable for the hardship it had caused.

Because Mr W didn't agree with our investigator, the case was passed to me for a final decision.

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 reached the same conclusion on this complaint as our investigator, and for broadly the same reasons.

Co-op is clear that it will not chase a cheque until ten working days after it has been deposited. I think that Co-op explained that on both the first and second calls that Mr W had with it. I know that the call handler on the first call made a mistake when she worked out what date that would be, but I don't think that in itself means that Co-op needs to pay compensation in this case.

I think that Mr W was told on both calls that he could raise a complaint if he wanted to, but the complaint that he wanted to raise wouldn't be upheld. That was because Mr W wanted his cheque traced straight away, and Co-op wouldn't try to trace a cheque as early as that. I don't think that Co-op has to trace a cheque as soon as someone asks it to, so I don't think that Co-op made a mistake when it said that.

Mr W says that Co-op's terms only mention two working days for processing cheques. Co-op's terms do say that cheques paid in using a third party will usually take two working days to reach it. Co-op has told our service that it says "*usually*" there because it can take longer. And I think it's important that the next part of the terms states that "*the above timings [for cheque processing] will begin when we receive the cheque*".

I think that makes clear that Co-op won't guarantee that it will receive a cheque within two days. It seems to me that Co-op has set out the processing times that it will stick to for cheques once those cheques reach it. But it can't make any promise about how long the third party will take to get that cheque to a clearing house, and how long that clearing house will then take to pass the cheque to Co-op.

I realise that the amount of time that this cheque took to get to Co-op caused Mr W serious problems. He told us that he relies on the money from cheques to pay his bills. And I also realise that Mr W would be particularly concerned, because he says that Co-op has previously lost a large cheque which he paid in. So I can understand why he wanted Co-op to start to trace this cheque straight away. But I don't think that Co-op has to do that for him. It's not unreasonable for Co-op to say that most cheques turn up within ten days, so it won't

start searching for a missing cheque until then. And I note that this cheque did turn up after eight working days.

For all these reasons, I'm sorry to have to tell Mr W that I don't think this complaint should be upheld.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 29 September 2018.

Esther Absalom-Gough
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