

complaint

Mr L complains that Barclays Bank PLC told him that his foreign currency cheque would clear in a few days but he later found it would take weeks. He also complains that he did not receive the amount he was told he would receive.

background

Mr L received a foreign currency denominated cheque in September 2015. He says he was told that his cheque would be processed by the negotiation method and his account credited with the money in two days. He was then told that this was not possible and that he would not receive the money for up to six weeks. He says this has caused him financial hardship including regular payments from his account being returned and additional costs on a holiday.

The bank accepted that a mistake had been made by telling Mr L that his cheque could be cleared on a negotiation basis. It says this was not possible with his account and the cheque needed to be cleared on a collection basis. It wrote to Mr L on 21 September to explain this and say the cheque would usually take up to six weeks to be in his account but it could take longer. It says it apologised for the incorrect information given and paid Mr L £200 compensation for the inconvenience he had been caused.

The adjudicator said that the bank had not done anything wrong by processing the cheque on a collections basis. He said that the bank had provided Mr L with incorrect information about whether his cheque could be cleared on a negotiation basis and therefore led him to believe the money would be available sooner. However he said that had Mr L received the correct information he did not see that Mr L would have acted differently. He said that Barclays did not provide Mr L with an overdraft because this facility was not available on his account. The adjudicator said that the £200 the bank had paid Mr L was reasonable.

Mr L did not agree. He said that had he known that his account did not allow cheque negotiation he would have found another way of cashing the cheque. He also says that he was told he would receive £1,063 minus a £9 fee but he actually received £953 minus a £22 fee. He says the delay in getting his money has caused him financial loss.

my findings

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

Mr L's account does not allow for foreign currency cheques to be processed on a negotiation basis and so I accept that the bank did nothing wrong by processing the cheque on a collections basis. It wrote to Mr L on 21 September to say this had happened and how long it would take for the funds to reach his account. The money was credited to Mr L's account within the timeframe set out in the letter, on 5 October. I find that the bank has done nothing wrong in in this process.

The bank has accepted that Mr L was wrongly told that his cheque could be processed on a negotiation basis and would clear in two days. When a mistake has been made, my role is to ensure that the customer is put back in the position they would have been had this not happened and, if appropriate, award compensation.

Mr L has said that had he known the cheque could take up to six weeks to clear he would not have processed it through his account. He has mentioned he would have used a cheque cashing service or sought money from family members. While I appreciate this, there was no guarantee that a cheque cashing service would provide the funds any sooner, and given Mr L was informed on the timescale in a letter dated 21 September, I do not find that he was prevented from approaching family at that time had he wanted to.

Mr L has said that he needed to fly abroad to try to sort an alternative means of payment. However, the cheque he put for processing was processed and not cancelled.

Mr L says that a number of his regular payments were returned because the money from the cheque was not credited to his account in time. However, given Mr L was aware that this money would not be available before the payments were made I find it was his responsibility to ensure he had the money in his account to cover the payments.

Mr L has also complained that he received over £100 less than he was told. However, I do not find anything to suggest that he was guaranteed the amount noted down or that the fees charged were incorrect.

The bank credited Mr L's account with £200 compensation on 23 September. I find that this was sufficient to cover the inconvenience caused by being given the wrong information and any misunderstanding about the final amount he would receive.

my final decision

My final decision is that Barclays Bank PLC is not required to do anything further to settle this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 29 December 2015.

Jane Archer
ombudsman