

complaint

Mr I complains that Barclays Bank Plc has held him liable for various cheques issued on his business bank account. Mr I says he lost his cheque book and a third party issued the cheques without his knowledge or authority. He wants Barclays to compensate him for the amount he says he has lost.

background

Mr I says he visited a branch of Barclays on 29 October 2014 to deposit money into his business account. He believes he had his cheque book and provisional driving licence with him when he left the bank. He says he then went home to pack some belongings before going to visit his partner some distance away. He says he stayed there for a few weeks and although he noticed he didn't have his cheque book and provisional driving licence with him, he thought he must have left them at home.

On 11 December 2014, Mr I received a text from Barclays advising him to credit his account. When he called Barclays, he was told his account was almost £1,000 overdrawn. Mr I says that when he arrived back home on 16 December 2014, he found the letters Barclays had sent him about unpaid cheques. After reading the letters he looked for his cheque book. It was at this point, he says he became aware that the cheque book and provisional driving licence were missing. He says he reported this to the police and ordered a replacement driving licence from the DVLA.

In previous correspondence, our adjudicator listed the cheques issued on Mr I's account between October and December 2014. I have summarised these below.

- 17 October 2014, a cheque for £3200 was cancelled. Mr I has confirmed this was a genuine cheque which he cancelled because the name was written incorrectly. Mr I says he later made this payment for £3,200 in cash but has not been able to provide proof of this.
- 3 November 2014, a cheque for £4700 was not honoured because it had the incorrect signature.
- 10 November 2014, a cheque for £4700 was paid.
- 14 November 2014, a cheque for £4000 was paid.
- 20 November 2014, a cheque for £1750 was unpaid due to insufficient funds.
- Between 26 November and 10 December 2014, several smaller cheques were paid.
- Between 17 December 2014 and 7 January 2015, several smaller cheques were unpaid for insufficient funds.

Barclays thinks Mr I was somehow involved in the cashing of the cheques, so it has refused to refund the money. Mr I says he was not involved so wants a refund from the bank.

Our adjudicator didn't uphold Mr I's complaint. Mr I did not agree with the adjudicator's view so the matter has been passed to me for final decision.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I have reached the same conclusions as our adjudicator and for the same reasons. I have summarised the main points below.

Mr I told Barclays the cheque he cancelled on 17 October 2014 was a genuine cheque on which he had written the name incorrectly. Mr I says he later made this payment for £3,200 in cash. Our adjudicator asked Mr I for evidence of this but he has not provided it. I note that this amount was never withdrawn in cash from the account.

Mr I says he does not understand why Barclays honoured some of the cheques, but not all. Barclays says the first cheque for £4700 was only stopped because the signature didn't match the mandate. After this, the cheques continued to clear until there were insufficient funds. Barclays says it allows a certain amount for an informal overdraft on business accounts so some of the cheques were cleared using this allowance.

The cheque for £4700 (which was not honoured due to the incorrect signature) was signed with a signature very different to Mr I's usual signature. However after this cheque failed to cash, the cheques began to have a signature which looked like Mr I's usual signature. If an unauthorised third party had managed to get hold of Mr I's cheque book and driving licence, the driving licence would show Mr I's usual signature. So it seems unlikely that the third party would not try to copy Mr I's signature on the first cheque - this would be the best way of ensuring this cheque was paid.

Barclays also says the pattern of behaviour on Mr I's account was unusual. Before the fraud took place, a large amount of cash was paid into Mr I's account. Barclays finds it suspicious that all the money used to pay the fraudulent cheques was deposited into the account in a short period before the cheques were cashed. This was unusual given the previous pattern of transactions on Mr I's account.

Our adjudicator's inquiries showed that on the same day £1000 was deposited into Mr I's account, a cash withdrawal for £1000 was made from a different bank by the beneficiary of the fraudulent cheques. This suggests there may be a link between Mr I and the beneficiary.

Mr I says two of the deposits were money to make purchases on behalf of the church choir. Mr I has provided a letter from the church as evidence that it paid him £1000 which was deposited on 13 October and £2750 which was deposited on 15 October 2014. Mr I says these amounts were paid to him as the choir treasurer but I am unsure why Mr I would use his business account for this purpose.

Mr I says another deposit for £2000 on 17 October 2014 was payment for some work he had done but he has not been able to provide proof of this.

Mr I says the deposit he made on 29 October 2014 for £3100 was from his grandmother who sent cash from overseas in order to avoid international money transfer fees.

I accept that each of these things on their own may not be enough to persuade me that Mr I was involved. But when looked at together, there are too many anomalies for me to conclude that Mr I has been the innocent victim of fraud. I think it is more likely that Mr I was involved

in the fraudulent use of the cheques in some way. It is for this reason that I think Barclays has reached the right conclusion in not refunding Mr I the money he says he has lost.

It follows that I have decided not to uphold Mr I's complaint.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr I to accept or reject my decision before 22 January 2016.

Jagdeep Tiwana
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