

## **complaint**

Mr M complains that HSBC UK Bank Plc wouldn't honour a cheque paid into his mother's account. The bank then ignored a letter of complaint.

## **background**

Mr M is represented in this complaint by his mother Mrs M. Mr M wrote a cheque from his HSBC account. The cheque was given to his mother to deposit in her building society on 3 December 2018. But she was told the cheque had been 'bounced' by HSBC.

Mr M said attempts to transfer the money also failed. The building society said it'd never received the payment. And the problem caused a great deal of embarrassment to the family. His mother was depending on the money for her business. When they tried to complaint HSBC didn't respond. So they would like compensation for the trouble and upset caused.

HSBC said the cheque hadn't cleared because the signature didn't match its records. The bank hadn't intended to cause any inconvenience. But it was important to protect customers from fraudulent behaviour. HSBC said it'd now received an updated signature. And there shouldn't be a problem in future. The electronic payment sent on 7 December had been rejected because the roll number was missing. And the reference used was for Mr M. But the payment had been resent correctly on 14 December.

Mrs M wasn't satisfied with HSBC's response. So she contacted our service and our investigator looked into the matter. She looked at what'd happened. And she didn't think HSBC had acted unfairly. The cheque had been returned because the cheque signature was different to what the bank had on file. And HSBC had a duty to protect its customers from fraud. She could see the electronic transfer had gone through after the building society roll number had been included. And she didn't feel she could hold HSBC responsible for the payment failing the first time. HSBC had offered £50 as a gesture of goodwill for any inconvenience. And it'd refunded £60 of payment charges. She felt that was a fair response.

Mrs M didn't agree. HSBC had never apologised. The family were well known at their branch and had used HSBC for many years. And the cheque was made out to the same surname as Mr M. The delayed payment caused a lot of problems. So she's asked for an ombudsman's 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 can see how upsetting this has been for Mr M and his family. They live in a rural area. And they're concerned how the payment problem might be conceived in the local community. I've looked very carefully at everything that's happened to see if HSBC has done anything wrong. But it's important to realise this complaint has been brought by Mr M against HSBC. And I can only look at what's happened between the two parties. I can't consider the impact any mistake might've had on a third party.

I realise Mrs M feels HSBC handled the situation badly. They spent several hours on the telephone trying to find out what'd happened. And HSBC didn't get in touch to query the signature or payment problems.

HSBC has explained it sends a letter when payments are returned. But not when cheques are bounced. The bank had to make an immediate decision. And if it had any concerns the processing system would cancel the cheque.

I think the signatures do differ enough for HSBC to take action to protect Mr M from potential loss. I know the cheque was made out to someone with the same surname. But fraudsters can be very sophisticated. And it's important the bank protects itself and its customers from wrongful activity. Of course in this case the transaction was perfectly legitimate. But I'm sure Mr M and Mrs M wouldn't want HSBC, or any bank, to lessen their security checks where they felt they knew the customer.

I know Mrs M feels HSBC should've done more to let them know there were problems. But the building society made her aware within a couple of days. And Mr M attempted a bank transfer later that week. HSBC has made a decision not to write to customers about problems with cheques. The receiving bank or building society would normally contact the customer if there is a problem with a cheque deposit. And that's a business decision I'm not able to interfere with. In this case Mr M and Mrs M were aware there was a problem within a few days.

Mr M attempted an electronic transfer later that week. But it seems the roll number was missing. And the transfer was made successfully the following week. Mr M says he gave all of the correct information to HSBC. But I can't be sure exactly what happened when the first transfer was attempted. And I've not seen enough evidence to suggest HSBC did anything wrong with the information it was given.

I do appreciate how distressing this has been for Mr M and his family. But as I've explained I can only consider whether HSBC made any mistakes. And if so what impact it's had on Mr M.

HSBC says it hadn't made any errors. And it responded directly to Mr M when there was a complaint. Mrs M wasn't named on the account. But the bank refunded transfer charges totalling £60 and offered Mr M £50 as a gesture of goodwill for any inconvenience.

I know Mr M and Mrs M will be disappointed with this outcome. But I can't say the bank acted unfairly when it rejected the cheque due to concerns about the signature. And I've not seen anything to suggest it made a mistake when it processed the electronic transfer using the information it'd been given.

HSBC has offered a total of £110 compensation as a gesture of goodwill. And based on what I've seen I think that's a fair response. And I won't be asking the bank to do anything more.

### **my final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 October 2019.

Andrew Mason  
**Ombudsman**