

complaint

Mr C complains that Bank of Ireland (UK) Plc (Bol) refused to accept a banker's draft to pay into a one year growth bond.

background

Mr C wanted to invest into a Bol guaranteed bond. He was sent an application pack with a form, which he returned, enclosing a bankers' draft for the amount he wished to invest. The business held the draft for five days before returning it to him. During this time the interest rate dropped by 0.05%. The business explained it didn't accept bankers' drafts as an acceptable method of payment.

Mr C's complaint was investigated by an adjudicator at our service. She didn't recommend that it be upheld. She considered the terms and conditions stated which the methods of payment were accepted and these didn't include bankers' drafts. This was provided to Mr C in the application pack. She believes that even though Mr C has been put at a financial disadvantage due to the drop in interest rate it is unfair to blame the business for this. She noted that the bank stated in the terms and conditions that it could return a cheque within 28 days if an account couldn't be opened. As Mr C's delay was 5 days, this was well within the time limit.

The adjudicator believed it was a commercial decision of the business to choose the methods of payment it accepts. She explained that as we are not the regulator, it is not our role to impose systems and procedures for the business to follow.

Mr C didn't agree and said that most financial institutions accepted bankers' drafts and so the bank should have highlighted that it didn't. He also said that the terms and conditions upon which the bank had relied appeared to accept banker's drafts. As such the complaint has been passed to me to issue 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.

Firstly I should make it clear that the role of the Financial Ombudsman Service is to resolve individual complaints and to award redress where appropriate. I do not perform the role of the industry regulator and I do not have the power to make rules for financial businesses or to punish them.

I can appreciate Mr C's frustration at having his application rejected. I note that he has been able to deposit bankers' draft with other financial institutions without difficulty and so he had presumed that this would be acceptable to Bol. However, it has chosen not to accept banker's drafts and it is entitled to do so. As pointed out above I cannot require it to accept specific types of payment. That is a matter for its commercial judgement.

Turning now to the issue of the information and guidance provided by the bank I note its application pack states:

Cheques:

Can be paid in at a Post Office branch or by post. The following cheques are accepted as an initial deposit- either a personal cheque drawn in your own name from your own bank account or a cheque drawn by a financial institution with you as the payee e.g. a Building Society cheque made payable to you. Other than cheques drawn by a financial institution, we cannot accept third-party cheques to open an account.

These rules are also set out in the terms and conditions of the bond. I can see why Mr C considers this allows bankers' drafts as it refers to "*a cheque drawn by a financial institution*". However a bankers' draft is not a cheque and while he may regard this as a fine distinction it is a distinction nonetheless. The bank was not obliged to accept the draft and it returned it within five days which is not an unreasonable timescale. I appreciate that Mr C has lost out and that he will find my decision disappointing, but I cannot conclude that the bank was wrong to reject the draft.

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 C to accept or reject my decision before 14 December 2015.

Ivor Graham
ombudsman