

complaint

Mr L complains that Nationwide Building Society held a cheque sent by a third party and failed to tell him it had been received.

background

Mr L says he was expecting to be sent a cheque from his brokers for nearly £70,000 but he says Nationwide wrongly held on to the money for more than five months before making arrangements to return the funds to him.

Mr L told us that he'd arrange to have the funds sent to him in summer 2016 and that at the end of November, when the cheque hadn't materialised, he'd contacted his broker. He says the cheque had been banked and he had to pay a fee to his broker to get a copy of the cheque so he could see where the funds had been deposited. The copy cheque confirmed the money had been credited to a Nationwide account in September 2017

Mr L says that in January 2017 he visited his local Nationwide branch and spoke to a member of staff. The branch contacted head office and established that the cheque had been credited to an account that had recently been opened in his name. He says he was told that Nationwide had viewed the transaction as suspicious and had frozen the account and protected the money held in it.

Mr L says the account had been opened fraudulently and he is grateful that Nationwide prevented any money from being withdrawn. But he says it should've done more to establish who the money belonged to, and he shouldn't have had to wait nearly five months for his money to be returned.

Nationwide rejected this complaint but it did offer Mr L £150 compensation for the poor service he received. Nationwide says an account was opened in Mr L's name and shortly afterwards a cheque payable to Mr L was credited to the account. It says it had concerns about the funds and it restricted the account so that the money couldn't be withdrawn.

Nationwide acknowledges that it didn't try and contact the bank that issued the cheque, but it says that even if it had it wouldn't have made a difference. It says Mr L wasn't a customer so it didn't hold his correct contact details and because the cheque payee hadn't been altered – the sending bank would simply have confirmed that the cheque was genuine and confirmed what Nationwide already knew.

Our adjudicator looked at this complaint and said she thought Nationwide should've done more bearing in mind the value of the cheque concerned. And if it had contacted the broker who issued the cheque, it would've established that although the payee details were correct, the address details were not. And it would've resulted in Mr L being reunited with his money sooner. She asked Nationwide to increase its compensation to £250.

Nationwide disagreed so the complaint comes to me to decide.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. And having done so, I'm upholding this

complaint. I think our adjudicator set out the position very clearly so there's very little I can add to what she's already said.

I think Mr L has to take some responsibility for the time it took for him to be reunited with his money. I say this because although he was expecting to receive a cheque for £68,000 during the summer, it wasn't until the end of November 2016 that he raised the matter with his broker. And it wasn't until early January 2017 that, with details of where the cheque had been banked, he approached Nationwide.

I do think, however, that Nationwide could've acted sooner to get Mr L's money to him. It told us it thought the account had been opened fraudulently and it had ringfenced the money. But I note that although Mr L contacted it in January, his money wasn't returned to him until March.

Our adjudicator recommended that Nationwide pay Mr L £250 in recognition of the poor service it gave him and I'm satisfied that this is fair and reasonable.

my final decision

My final decision is that I uphold this complaint and require Nationwide Building Society to pay Mr L £250 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 13 November 2017.

Andrew Macnamara
ombudsman