

complaint

Miss W complains that The Royal Bank of Scotland Plc didn't clear a very important cheque, and it didn't give her any warning that it wasn't going to clear the cheque.

background

Miss W said that at the beginning of September, she wrote a couple of cheques. One of those was very important, as it was for a professional registration fee. Miss W gets paid more if she's registered. But the cheque didn't clear.

Miss W said that she was notified later that the cheque had failed on 21 September. She said that she would usually expect a warning if a cheque wasn't going to clear, then she could move some more money into the account. But she didn't get any warning. And RBS's online banking system was down that day, until 11am.

Miss W thinks that she should've been given the opportunity to put money in her account.

RBS said that Miss W's cheque didn't clear because there was only 81 pence in her account. It said that it hadn't sent an alert on 21 September to say that the cheque was going to bounce, but it had sent her a text on 20 September to say her balance was low. RBS said that its "Act Now" alerts are sent for guidance only, and customers aren't supposed to rely on them to manage their accounts.

RBS said it had a problem with online banking on the morning of 21 September, but that was fixed the same day. It paid her £50 to say sorry for that, and some other problems which aren't part of her complaint to our service.

Our investigator didn't uphold this complaint. She said that Miss W had written a cheque for over £100 on 5 September, but then didn't make sure there was enough money in the account to clear it. She said that Miss W's balance was below the amount she'd written the cheque for from 5 September to 10 September, then again from 11 September onwards. And she said that RBS had texted Miss W more than once to say her account balance was low.

Our investigator didn't think that Miss W's cheque wasn't cleared because RBS's online banking system was down, as that only happened briefly. She didn't think it was RBS's responsibility to move money from a different account Miss W held there, so that the cheque would clear. And she said that RBS wasn't obliged to send Miss W a text if the cheque was returned unpaid.

Our investigator said that she appreciated that this cheque was very important to Miss W, and that she'd had lots of problems because it hadn't cleared. But she said that Miss W's cheque didn't clear because Miss W didn't leave enough money in her account to pay the cheque. And she thought that it was Miss W's responsibility to do that.

Miss W said that she thought that the cheque had bounced because of RBS's online banking problem on the same day. And she didn't transfer any money into her account on Friday 21 September because she knew there was money going in on the following Monday, and she didn't see anything going out on that Friday. Nothing goes out over the weekend.

Our investigator said that there was no evidence that the cheque bounced because of a problem with online banking. The most likely explanation was still that the account had no money in it. And it was Miss W's responsibility to make sure there was money in there. Our investigator also explained that an unpaid item wouldn't appear on her statements.

Miss W wrote again. She wanted to stress that she'd always received a text alert whenever an item was going to be unpaid. She thought that RBS's systems were set up so that she could run a low balance on her account and move money in before 2.30 the same day if some money needed to go out. She still thought that the cheque should've shown as a debit on her account that morning. Our investigator didn't change her mind, so this complaint was passed to me for 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. I've reached the same overall conclusion on this complaint as our investigator, and for broadly the same reasons.

Miss W has told us that she doesn't keep much money in this account. She said that she relies on the "Act Now" text message alerts from RBS, and on checking her bank account regularly, to manage her payments and to make sure that large transactions will clear.

We know that there was an IT problem at RBS on the morning that Miss W's cheque bounced. RBS said this didn't affect this transaction. Miss W says that's why things went wrong.

For reasons I'll explain, I don't think, even when RBS's online systems are working perfectly, that the things Miss W relies on would've alerted her to the fact that this cheque was going to be returned unpaid.

RBS offers to text its customers in a number of circumstances. It says that it will text customers if they're going to slip into unauthorised overdraft. These are the alerts that Miss W has been relying on, to make payments the same day into her account.

RBS says that those alerts are sent if "*You don't have enough money in your account to cover a payment (e.g. Direct Debit) and we're going to return it unpaid and charge you a fee.*" Or it will send alerts if "*You don't have enough money in your account to cover a payment and we're going to pay it, creating an unarranged overdraft and charging you a fee.*" But neither of those applied in this case, because Miss W wasn't being charged fees on her account at that time.

I also note that RBS says that its customers shouldn't rely on these alerts to manage their accounts. Its website explains "*Although we try to ensure that all alerts are sent to you when you need them, we can't guarantee this every time. You shouldn't rely on this service alone to give you the most accurate information.*"

So I don't think that RBS made a mistake when it didn't issue a text alert for this account. It has never said it would alert Miss W to a payment that's going to be paid, or returned unpaid, if it wasn't also going to charge her for that. And it has warned her not to rely on these alerts.

But Miss W also says that the cheque should've shown up on her online banking that morning. RBS just says that a cheque that wasn't going to be paid, and that she wasn't going to be charged for, wouldn't show on her statements. RBS has told us that it's checked Miss W's statements and it can't see any examples of unpaid cheques showing on her account. RBS said that it would look at this again if Miss W could show us an example of when that had happened.

I know that Miss W has sent us an excerpt from an online chat which seems to say that cheques will show on an account first thing in the morning, to give customers a chance to pay money in. but unfortunately that doesn't confirm that cheques which are going to be returned unpaid, rather than clear and push a customer into unauthorised overdraft, would show up in this way. And RBS has told us that cheques that weren't going to clear wouldn't show like that.

Our investigator said that the primary responsibility in this case was for Miss W to make sure that there was enough money in her account to make sure that the cheque cleared. I agree with that. Nothing that I've set out above changes that.

But because of how Miss W has operated her account in the past, I've considered very carefully whether RBS should've done more to alert her to the fact that this cheque wasn't going to clear. And I don't think it has failed to do anything it had promised to do. So I don't think it has done anything wrong.

I know Miss W will be disappointed, but I don't think this complaint should be upheld.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 19 January 2019.

Esther Absalom-Gough
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