

complaint

Mr C, a sole trader, complains that TSB Bank plc wrongly told him that a cheque had cleared.

background

Mr C deposited a cheque from a third party for £6,000 into his business account. He says he rang TSB on 23 or 24 March to ask if the cheque had been stopped. He says he was told the money was in his account. So he says he carried out work for the third party. But he later found out that the cheque had been stopped by the third party. He wants TSB to pay £18,500 compensation as he says he has lost money because TSB gave him the wrong information. He also says his reputation has been damaged. And he thinks the bank provided him with poor customer service when he rang to complain.

TSB said it didn't have a record of Mr C's conversation with the bank when he rang to ask if the cheque had been stopped. But it said the cheque wasn't stopped until 27 March. So the bank thought it had probably correctly told Mr C that the cheque hadn't been stopped if he rang before 27 March. It offered Mr C £20 compensation for any confusion. And the bank didn't think it had provided Mr C with poor customer service. TSB said it rang Mr C to find out more information when it received his complaint. So the bank thought it'd dealt with his complaint fairly.

The adjudicator didn't uphold the complaint. He thought as Mr C rang the bank before 27 March, the bank would have correctly told him the cheque hadn't been stopped. And he thought Mr C hadn't taken steps to recover his money from the third party. So the adjudicator didn't think the bank should compensate Mr C for the money he said he'd lost when the cheque was stopped.

Mr C didn't agree with the adjudicator and asked for an ombudsman to reconsider. He repeated his earlier arguments. And he didn't believe TSB when it said it didn't have a record of the telephone call he made.

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 conclusion as the adjudicator and for largely the same reasons.

In cases like this where the evidence is incomplete, I'll reach my decision on a balance of probabilities. That means I'll look at all the available evidence and decide what I think is most likely to have happened.

I'm satisfied that TSB has tried to locate a recording of Mr C's conversation with the bank when they discussed whether the cheque had been stopped. But TSB hasn't been able to trace this call. So I can't be certain what was discussed at the time. But Mr C said he'd called before 27 March. So I think the bank couldn't have known that the cheque had been stopped when Mr C called.

The bank might well have told Mr C the money was in his account when he telephoned. But that doesn't mean the money couldn't be taken out again later, if the cheque was stopped or if it bounced. And I can see that the bank provides written information on its cheque clearing

process. The cheque could be stopped up to six working days after it'd been paid into his account.

Mr C told the adjudicator that he hadn't asked the third party to repay him for the work he's done. I can see this has been inconvenient for Mr C but I don't think his position with the third party has been compromised because of what happened. So I don't think I can reasonably tell the bank to compensate him for the money he's lost, or for damage to his reputation.

I can see that TSB offered Mr C £20 compensation. I know Mr C will be disappointed but I think that's fair and I don't require the bank to do anything more. I leave it to Mr C to decide if he wants to accept the offer of £20 compensation.

my final decision

My final decision is I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 9 December 2015.

Ayesha Siddiqi
ombudsman