

complaint

Mr A's complaint about Barclays Bank UK PLC (Barclays) is that it won't honour a deposit that was paid into his account.

background

Mr A says that in February 2019 his friend visited a Barclays branch and paid £7,125 cash into Mr A's account. Mr A says he checked his online banking the same day, and the money showed as a cash deposit, and available to spend. However, the deposit was subsequently reversed by Barclays, and Mr A wants the money back.

Mr A complained to Barclays, and it explained that the money was paid in via cheque, not cash. It admitted that its system made a mistake in categorising the transaction and showing on Mr A's online banking as a cash deposit, but that it had proof it was actually a cheque. And it hadn't been able to process the cheque as it wasn't payable to Mr A, and also that the value of it had been altered from £1.25 to £7,125 when it was being paid in.

Mr A refuted this and brought his complaint to our service. In this he said he was certain the money was paid in by cash. He said he was out of pocket, and this event had damaged a good friendship. He believed Barclays had made a mistake, and that its systems weren't reliable, and he wanted it to pay him the £7,125. He conceded he didn't have a receipt from when the money was paid in, which would show in what form it was submitted – cash or cheque.

Our Investigator looked into matters, and spoke with both parties, obtaining further evidence. On the basis of this, he concluded that he couldn't uphold the complaint and ask Barclays to pay Mr A the £7,125 he believed he'd lost. This was because he was satisfied on the evidence that the deposit was a cheque, and that the money wasn't paid in in cash. This meant that until the cheque cleared, the money was never actually held in Mr A's account, or belonged to him. And that the true value of the cheque was actually only £1.25, and payable to a third party.

Mr A still disagreed. He felt our Investigator was siding with Barclays because it was a big organisation. He asked for an ombudsman's review.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I'm in agreement with our Investigator that I can't uphold this complaint. There simply isn't the evidence that would allow me to do so.

I know my decision will be very disappointing to Mr A. But I'd like to explain why it's the only fair one I could reach, noting that my role is to reach an outcome on the evidence, which is fair to **both** parties.

Mr A wants me to accept that his friend deposited £7,125 cash into his account – which would have become available for him to use immediately – i.e. his money from the point of deposit. But the only evidence he has of this is his online banking screenshot which says that a "cash" deposit was made.

Barclays has told us this is a mistake, and that it's a known fact that its systems sometimes show cheque payments as cash. It accepts how unhelpful this is and is looking at how to fix it.

In the meantime, it seems to me that Mr A's relying on the existence of this fault to cast into doubt Barclays entire paying-in process, and I don't think that's fair. I've seen no evidence to suggest that there was anything wrong with the arithmetical and processing part of deposits being made to accounts. And I've also seen that on the day in question, the branch's reconciliation of cash, cheques, etc., was straightforward and balanced. So there wasn't an extra £7,125 that had failed to make it into a customer's account.

Barclays says it's certain that the deposit was made by cheque, and not cash. And I'm persuaded by this. Not only from the evidence I've seen, but in the knowledge that had it been cash, there would never have been an opportunity to reverse the deposit. However, in a cheque clearing system there are such opportunities. And due to the problems with this particular cheque – both in respect of who it was payable to, and the fact that the amount was altered – are the very reasons the money wasn't paid into Mr A's account.

I can't say that this is Barclay's fault. I'm satisfied that the deposit was made by cheque, and Mr A isn't able to offer any evidence to the contrary. And I'm also satisfied that given the issues with the cheque, Barclays was unable to and didn't cash it. This means that Barclays doesn't have the £7,125 Mr A expected to receive; it didn't lose this money; and doesn't now need to return it to him.

For these reasons, I can't say Barclays did anything wrong, and I won't be upholding the complaint. I hope I've clearly explained why.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 20 April 2020

Ashley L B More
ombudsman