

The complaint

Mrs V and Mr V complain that Barclays Bank UK PLC ('Barclays') unfairly refused to honour cheques Mr V had written.

What happened

Mrs V and Mr V hold a joint account with Barclays. Mr V wrote cheques from this account and left them with another party to make a purchase. When they were presented for payment though, Barclays did not pay them.

Barclays says that the signatures did not match those held on its payment mandates from Mr V. It says that it called Mr V in relation to each cheque, to confirm whether he had signed them. When it could not get through to him, Barclays refused the payments and wrote to Mr V to explain why.

Mr V doesn't accept that this was the true reason for the cheques going unpaid. He says that the value of the cheques was the true reason for this, and wishes to see both the signatures on the cheques and the signatures which Barclays hold for him.

Barclays says that it does not provide copies of the customer signatures which are held on the mandates for security reasons. It says that its process for determining whether a cheque can be paid is not shared, as to do so would open that process to abuse. Barclays restated that the cheques went unpaid as a part of the ordinary operation of this process, which included calling Mr V on the numbers it held for him. Barclays acknowledged that it had not communicated with Mrs V and Mr V promptly enough in relation to this complaint, and paid them £200 in relation to this.

Our investigator thought that Barclays had fairly followed its processes in relation to these cheques. They did not think that Barclays had treated Mrs V and Mr V unfairly or unreasonably. Mrs V and Mr V did not agree and so this complaint has come to me for a final decision.

What I've decided – and why

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

Mrs V and Mr V have raised a number of other issues in addition to the above. While I have any relevant points and background as they relate to this particular complaint, these new issues do not form part of the complaint I am deciding about Barclays' not paying the cheques here. Under the rules of this service, I can decide complaints where a response has been provided by a business, or where relevant time limits have passed without a response. Our investigator has explained what Mr and Mrs V can do in relation to these other issues they seek to complain about, but my decision here focuses on the issues outlined above.

The terms and conditions of the account state that Barclays doesn't have to follow an instruction if it thinks it didn't come from the customer. In order to allow the payment of

cheques, Barclays holds signature information, among other things, as part of a signature mandate. It then follows a process for deciding whether or not a cheque bears the same signature as the mandate. Barclays has told this service more about this process and, while I can't share that with Mr V because it's sensitive information that relates to its business processes, I have considered this in detail.

Here, having considered Barclays' notes and records from the time, I am satisfied that it had concerns that the relevant signatures did not match. I think that's a reasonable concern for Barclays to have and to act on. Barclays terms allow for this and I am satisfied that it was fair for Barclays not to pay the cheques in the usual way in these circumstances. I haven't seen anything to show that the cheques weren't paid because of the amounts they were for, as Mr V has said.

When the signatures were flagged as not matching, Barclays contacted Mr V by telephone. I can see that two numbers were used - a landline and a mobile number. It appears that the landline is no longer in use, but the bank also used the mobile number it had for Mr V. Had these calls been answered and Mr V confirmed the cheques were signed by him, I think it's likely they would have been paid. When this could not be done on the same day, the cheques went unpaid. But I am satisfied this was reasonable.

Barclays wrote to Mr V to explain that the cheques went unpaid because 'the cheque is not signed in accordance with your signature mandate'. I think this accurately describes the issue. Barclays could perhaps have used more straightforward terminology rather than 'mandate', but I don't think that what it said was unclear in a way that had any significant impact in the circumstances.

Mr V has asked for copies of the cheques and the signature mandate so that he can consider whether they match, but I think that it is reasonable for Barclays to not provide copies of a signature here. It has explained that to do so would risk the security of their process and risk duplicates of an authorised signature being intercepted – which I think is reasonable.

In any event, it is not now in dispute that Mr V signed the cheques. The issue is that Barclays process required additional validation because of the signatures – validation which I think was fair and reasonable in the circumstances. Given the problems which Mr V has had, it might be that he wishes to update the signature mandate with Barclays.

I can certainly understand Mrs V and Mr V's frustration at the cheques going unpaid. This has caused them some inconvenience, but Barclays fairly followed its process here. As I've explained, it was fair, in the circumstances, to refuse to pay the cheques. Barclays has paid £200 to reflect any shortcomings in its communications with Mrs V and Mr V after the cheques went unpaid, which I think is fair. So I am not going to ask it to do anything further.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs V and Mr V to accept or reject my decision before 25 August 2023.

James Staples
Ombudsman