

The complaint

Mrs W is unhappy with the service she's received from Scottish Widows Limited, trading as Clerical Medical, surrounding a cheque which bounced.

What happened

Mrs W paid a cheque she'd received from Scottish Widows into her bank account. But the cheque bounced. Mrs W wasn't happy about this, so she raised a complaint.

Scottish Widows apologised to Mrs W for what happened and arranged for the cheque amount to be transferred to Mrs W's bank account directly. Scottish Widows also made a payment of £119.33 to cover any interest on the cheque amount Mrs W might have missed out on because of the delay in her receiving the money, and also paid a further £6 to cover the cost of Mrs W's telephone calls relating to the cheque. Finally, Scottish Widows made a payment of £100 to Mrs W as compensation for the inconvenience she'd incurred. Mrs W wasn't happy with Scottish Widows' response, so she referred her complaint to this service.

One of our investigators looked at this complaint. But they felt the response that Scottish Widows had issued to Mrs W already represented a fair outcome to the complaint. Mrs W remained dissatisfied, so the matter was escalated to an ombudsman 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.

When a business acknowledges that it made a mistake, as Scottish Widows did here, it would generally be expected by this service that the business would take the necessary corrective action to put the complainant party in the position they should be in, had the mistake never occurred.

Scottish Widows appear to have done that here. I say this because they made a direct transfer to Mrs W to ensure that she received the cheque amount. And they also paid Mrs W £119.33 to cover any interest that Mrs W may have lost out on by not receiving the money until she did - with the £119.33 being calculated as daily interest on the cheque amount using an interest rate of 8%, which is the same rate of interest that this service uses when calculating potential loss-of-interest amounts.

Accordingly, I'm satisfied that Mrs W has been restored to at least the financial position she should be in, had the cheque she received from Scottish Widows not bounced.

In addition to any materially corrective action, it would also generally be expected by this service that a business that acknowledges a mistake would consider whether any payments of costs or compensation should fairly be made to the complainant party.

Again, I feel that Scottish Widows have done that here. And I note that they made payments of £6 and £100 to Mrs W, to cover her telephone costs and by way of compensation

respectively. These payments feel fair to me, and I confirm that a compensation payment of £100 is in line with what I might have instructed Scottish Widows to have paid, had they not already done so.

In reaching this position, I've considered the upset Mrs W experienced upon learning that the cheque had bounced, as well as the trouble and inconvenience she incurred in having to contact Scottish Widows to rectify the matter. I've also considered the general framework which this service uses when assessing potential compensation amounts – details of which are on this service's website. And, taking these factors into account, I feel that £100 is a fair amount and so I won't be instructing Scottish Widows to pay anything more.

Finally, Mrs W has expressed her dissatisfaction at not receiving a clear explanation as to why the cheque bounced. I don't feel that there was any reasonable compulsion on Scottish Widows to provide an explanation as Mrs W would have liked. But I note a letter by Scottish Widows to Mrs W dated 5 July 2023 in which an explanation of what caused the cheque to bounce is provided. I'm pleased that Scottish Widows took the time to resolve Mrs W's concerns in that manner that they did here.

All of which means that I'm satisfied that the response that Scottish Widows issued to Mrs W's complaint – including the apology and the payments totalling £225.33 – already represents a fair resolution to this complaint. And it follows from this that I won't be upholding this complaint or instructing Scottish Widows to do anything more.

I realise this won't be the outcome Mrs W was wanting. But I trust that she'll understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 8 February 2024.

Paul Cooper
Ombudsman