

The complaint

Ms M complains Nationwide Building Society lost two of her cheques.

What happened

Ms M tried to pay two cheques in at a Nationwide branch. Nationwide accidentally credited Ms M's cheques to another account.

Ms M realised the cheques hadn't been paid to her account and she complained. Ms M said the cheques were wages and her employer was now refusing to pay her again.

Nationwide responded to say it accepted it made a mistake, paying the cheques into the wrong account. Nationwide also said it shouldn't have told Ms M to go back to the issuer of the cheques, and apologised for this poor service.

Nationwide said there'd been further credits in the following months, so it assumed Ms M had got the cheques repaid to her. Nationwide paid Ms M £150 to compensate her for the distress and inconvenience the loss of the cheques had caused.

Ms M brought her complaint to this service and investigator looked into things. The investigator didn't think Ms M's complaint should be upheld.

The investigator accepted Nationwide hadn't credited Ms M's account with the cheques she paid in, but said Nationwide had since returned the cheques to the person who wrote them. The investigator agreed with Ms M the later cheques were other month's wages.

The investigator contacted the banks the cheques were drawn on, and both banks said the accounts were still open and were personal accounts, not business accounts. One of the banks said Ms M had access to the account the cheque was drawn on.

The investigator thought Ms M should be pursuing the cheque issuer for the money and didn't think Nationwide had to pay her the value of the cheques.

The investigator thought Nationwide's payment of £150 was enough to compensate Ms M for its error in paying the cheques to the wrong account.

Ms M disagreed and said Nationwide never returned the cheques to her, and had been negligent by not paying them to her account. Ms M said her employer was no longer trading so she couldn't recover the money.

Ms M didn't think the accounts being personal ones made a difference and she didn't have access to any of the accounts.

Ms M said she couldn't pursue her employer as she didn't know how to, and has no options open to her to recover the money from her employers, so Nationwide should pay her the money. Ms M asked for an ombudsman to decide things.

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.

There's no dispute Nationwide failed to credit the cheques to Ms M's account. I need to decide if it's fair for Nationwide to pay Ms M the value of the cheques she tried to pay in.

Nationwide has shown it returned the money to the accounts the cheques were drawn on. Nationwide didn't return the physical cheques, but credited payments for the value of each cheque to the individual accounts.

I'm satisfied the cheque payments have been refunded to the accounts the cheques were drawn on.

Ms M says the cheques were wages from her employer. Ms M says her employer is no longer trading.

The investigator asked Ms M for a P45 tax certificate, to show her employment had ended. Ms M couldn't provide a P45, but sent in a letter from her employer to say it wouldn't be paying Ms M the cheques again.

The investigator also looked up Ms M's previous employer, and it's very unclear whether it's still trading or not. I don't think there's enough to say Ms M's employer isn't in a position to reissue the cheques or pay her missing wages another way.

And the banks the cheques were drawn have both said the accounts were in personal names, not the name of the business Ms M was employed by. Ms M says this doesn't make a difference, but I think it does.

Had the cheques come from a business account, and the banks in question could show the business was no longer trading, or the accounts were closed, I'd be more inclined to say Ms M has no option to recover the money.

But I can't tell if the cheques were wages from Ms M's employer or personal payments. The fact the cheques came from personal accounts means I think it's more likely these were personal payments. So, I think it's up to Ms M to try and recover these payments.

I'm not going to make a finding on whether Ms M has access to one of the accounts or not. All I can say for certain is one of the banks has said someone with the same name as Ms M has access to the personal account one of the cheques was drawn on.

I don't think Nationwide needs to pay Ms M the value of the cheques, because I think Ms M should be able to pursue the person who issued the cheques for the money she's owed. Ms M may want to take some legal advice as to how she could do this.

The loss of the cheques meant Ms M was very worried about where her money had gone. Ms M also had to speak to the person who issued the cheque and ask them to repay her the money. This would have been inconvenient for Ms M.

But, considering the complaint as a whole, I think the £150 Nationwide has already paid Ms M is enough to compensate her for the distress and inconvenience she experienced.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 24 August 2023.

Chris Russ
Ombudsman