

## The complaint

Mr A says U K Insurance Limited ('UKI') acted unreasonably by refusing to reissue a cheque 15 years after the original one was sent to him.

## What happened

UKI sent a cheque for £981 to Mr A in 2008. He wasn't aware it had arrived, as another member of the household put it in a drawer without telling him, and it was soon covered by other items. Mr A only found the envelope containing the cheque and a covering letter from UKI in August 2020. At that point, one of UKI's advisors said the matter couldn't be resolved then (due to lockdown restrictions) but that UKI should be able to reissue the cheque in due course when its records could be reviewed.

As Mr A heard nothing further, he called UKI again in February 2023. UKI said it only held records for the past seven years, as all previous ones had been removed due to data protection requirements. In response to Mr A's complaint, UKI said there was a time limit for cashing cheques and the onus was on Mr A to do so. UKI also said it couldn't be sure whether a replacement cheque had been issued at some point after 2008.

One of our investigators reviewed Mr A's complaint. He didn't think UKI had acted reasonably. In his opinion, Mr A's account was credible, and the possibility of a replacement cheque having been issued wasn't a good enough reason not to pay the sum due. UKI then queried why Mr A hadn't chased the payment in 2008. It said its legal liability to Mr A had expired after six years, and he was asking for payment 15 years later. It said there were no extenuating circumstances (such as Mr A being a vulnerable consumer). And it pointed out that it hadn't made an error - but Mr A had, in not cashing the cheque or querying it.

The investigator said Mr A hadn't cashed the cheque for reasons beyond his control (as he didn't know about it) and that had he put it in a drawer himself, that would have been different. He thought it more likely than not that only one cheque was ever issued. As there was no agreement, the complaint was then passed to me for review. I issued a provisional decision, not upholding the complaint, along the following lines:

- UKI could show that it tried to find a way of establishing what had happened prior to seven years earlier, but it was unable to do so as all its records before that date had been removed.
- It was reasonable for UKI to say the onus was on Mr A to cash the cheque or to query its absence. He must have been expecting the payment and most consumers would have chased UKI about it. Mr A hasn't set out any reasons why he wasn't able to do that, either at the time or during the next few years.
- There's no evidence that Mr A was trying to obtain a second payment from UKI. But its concern that a replacement cheque may have been issued between 2008 and 2016 (the date from which its records are still in place) is reasonable.

I asked the parties to comment on my provisional findings. UKI didn't do so. Mr A said there

was proof that the original cheque was never cashed. He said that there was a breakdown in his home status, plus the death of his mother, around the time in question, so he had more to think about than a missing payment. He said £900 was a substantial sum to lose, and that originally he was told by UKI that the cheque would be reissued.

### **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.

I'm very sorry to hear that Mr A was facing very difficult personal circumstances around the time the cheque was issued. And I appreciate that for some time, the fact that he was due a substantial payment from UKI may well have slipped his mind, whilst he dealt with more pressing issues. But he didn't query the absence of the cheque at all over the next several years. That isn't UKI's fault, and the considerable length of time that elapsed before he finally contacted it meant that UKI's records prior to 2016 were no longer available. That wasn't UKI's fault either - and all insurers have to rely on their records in situations like this.

I think it's clear from Mr A's account that the UKI advisor he spoke to in 2020 said there shouldn't be a problem in reissuing the cheque *once the relevant records were checked*. I know Mr A's expectations would have been raised by that, but there was no way for the advisor to check at the time which records were available. In the absence of records to show what happened between 2008 and 2016, I don't think UKI acted unreasonably in deciding not to reissue the cheque to Mr A. So although I know he'll be very disappointed with my decision, I can't uphold his complaint.

### **My final decision**

My final decision is that I don't uphold Mr A's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 23 November 2023.

Susan Ewins

**Ombudsman**