

The complaint

B, a charity, complains that AIB Group (UK) Plc caused it inconvenience and harm when it returned a cheque unpaid.

B has been represented in the complaint by one of its trustees, Mr F.

What happened

In January 2023 B completed a new mandate for its account with AIB. AIB didn't amend the mandate within its normal timescales, and when it did, it didn't update the contact phone number correctly. Not long after the mandate was amended, B wrote a cheque which AIB returned unpaid, even though there was more than enough money in B's account to cover the cheque.

AIB says it made three phone calls to verify the cheque before returning it, in line with its usual procedures. But because the contact number it had on its system for B was incorrect, it didn't manage to speak to anyone.

Mr F says the return of the cheque caused turmoil in a small, close-knit community, in which news spreads like wildfire. He says that it resulted in sponsors withdrawing their support for B, and that B's good reputation and hard-won credit were tarnished or lost overnight. Mr F has told us that the turmoil caused by the returning of the cheque resulted in a significant delay to a fundraising draw that B was planning, and a consequent delay to the delivery of a major project.

AIB apologised for the delay in amending the mandate and setting up internet banking, and for not having updated the contact phone number for B. It offered to provide B with a letter confirming that the cheque was unpaid due to an error on AIB's part in the contact details it had for B. And it offered to pay B £100 to reflect the inconvenience caused.

Mr F has told us he finds AIB's offer of £100 insulting. He says what B really needs is good access to AIB's staff when issues need dealing with its account.

One of our investigators considered the complaint, but thought AIB's offer was fair.

Mr F, on behalf of B, disagreed with investigator's view, so the complaint's been passed to me.

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.

It isn't in dispute that AIB didn't amend B's mandate as quickly as it should have done, or that the number it phoned before returning the cheque wasn't right. As a result the cheque was returned unpaid.

We don't have the power to fine or punish a financial business. My role is to decide what, if anything, a financial business should do to put things right when it has made a mistake. In doing so, I have to consider the impact on the complainant. In this case the complainant is B, rather than any individual.

Mr F has suggested that the impact of the returned cheque was significant, and included sponsors withdrawing their support for B. I accept that a returned cheque can be a source of embarrassment, but although it has been asked, B hasn't provided any evidence to support what Mr F says about the extent of the impact on B.

Based on the evidence provided, I consider AIB's offer of £100 to be fair to reflect the inconvenience caused to B. And I think its offer to provide B with a letter confirming that the cheque was unpaid due to an error on AIB's part was helpful in the circumstances.

I know that Mr F is frustrated about the impact of branch closures on access to banking services. I acknowledge that he would prefer it if B could contact branch staff directly when issues need dealing with its account, rather than having to call a contact centre and wait while calls are transferred and sometimes dropped. But we don't have the power to tell a business how it should operate, or to interfere with its commercial decisions. AIB has updated the contact details it holds for B, and has provided B with information about various methods of contacting it.

Taking into account everything that's been provided, I think what AIB has offered to do to resolve B's complaint is fair, and I can't reasonably require it to do more. If B wishes to accept the £100 offered, it should contact AIB directly.

My final decision

My decision is that what AIB Group (UK) Plc has offered to do to resolve B's complaint is fair. So I don't require it to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 30 May 2024.

Juliet Collins
Ombudsman