

## **The complaint**

Mr B complains about a Barclays Bank UK PLC dishonoured cheque.

## **What happened**

Mr B paid a cheque for £42,000 from his Barclays bank account to buy Premium Bonds.

Barclays couldn't validate the payment due to Mr B's signature differing to the one they had on file. So, on 22 May 2023, they made an outbound call to Mr B to authenticate the payment. However, Mr B discontinued the call as he couldn't be sure it was genuine.

Mr B decided to visit a Barclays branch to check if the call was genuine. A Barclays representative assured Mr B that the cheque had debited his account and he was led to believe the call was a scam.

This meant an opportunity to authenticate the signature and approve the cheque was missed, and Mr B was subsequently informed the cheque had been referred to drawer.

Barclays apologised, confirmed they had missed an opportunity to pay the cheque and paid Mr B £100 compensation. Barclays say they offered to do an immediate bank transfer to make sure Mr B didn't miss out on any interest, but Mr B disputes this.

Mr B is dissatisfied with Barclays' response and referred his complaint to our service. Mr B is concerned about the payee of the cheque suing him, in due course, for the dishonoured cheque. Also, about a possible impact on his credit file and a lost chance of winning a Premium Bond prize. Mr B feels the compensation should be between £25,000 and £50,000. He says this is because marking a cheque Refer to Drawer is capable of bearing a defamatory meaning.

However, our investigator considered Barclays' compensation to be fair and reasonable.

As Mr B remains dissatisfied, this case has now been referred to me to look at.

## **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.

Having done so, I'm not upholding this complaint. I appreciate this will be disappointing for Mr B and I'll explain the reasons for my decision.

Barclays had a duty to execute Mr B's instruction and take reasonable care when making a payment from his account. They had an obligation to protect him from potential fraud and had reasonable grounds for thinking his instruction could possibly be an attempt to misappropriate Mr B's funds. I say this because I've seen evidence that the signature on the cheque differed to the signature held on file.

Barclays acted quickly, contacting Mr B to authenticate the payment and, as Mr B didn't feel comfortable speaking to their representative, it was after this due diligence step that a mistake occurred.

Barclays accept it was reasonable for Mr B to decline speaking to their representative on the phone and do not dispute their branch representative should've checked the system rather than making an assumption. And, if they hadn't made this mistake, Mr B's Premium Bonds purchase would've gone through.

So, considering the above circumstances, what's left for me to decide here is a fair and reasonable amount of compensation.

Regarding Mr B's failed attempt to purchase Premium Bonds, the interest paid on funds is decided by a monthly prize draw. Although there is a dispute over whether Barclays offered an immediate transfer of funds, which would've prevented a delay in entering the draw and a lack of information on a subsequent purchase of Premium Bonds, there's no way of knowing if Mr B would have won anything and I can't fairly compensate Mr B for a hypothetical loss. Also, Mr B says *"On the same day, £42,000 was transferred on my instructions to my savings account where it would earn interest"*.

Regarding a fair and reasonable amount of compensation, it's clear that Mr B has experienced disappointment, frustration, inconvenience and a loss of confidence.

Assessing compensation isn't an exact science and our approach when making awards for non-financial loss is detailed on our website and tends to be modest.

Regarding the disappointment and inconvenience of not being able to make his intended payment, the information on file suggests Mr B has delayed purchasing Premium Bonds. And there are alternative payment methods if he is reluctant to make a further cheque payment.

So, I agree with our investigator that it is more likely than not that the disappointment and inconvenience only lasted for a short period of time. I also think the frustration at incorrectly being told his payment had gone through would also only last for a few days or weeks.

Regarding loss of confidence, when considering that Barclays had, up to the point Mr B visited the branch, exercised reasonable care and attention, I'm not persuaded that the compensation paid by Barclays should exceed £100.

I can understand Mr B having concerns about a possible impact on his credit file. Also, the payee suing him, in due course, for the dishonoured cheque. However, there is no evidence that these risks have materialised. And when considering both the circumstances and type of purchase, I think these occurrences are unlikely. So, I don't think it would be either fair or reasonable to ask Barclays to increase the compensation amount for these reasons.

I looked closely at Mr B's submissions and considered the various caselaw that he cites. However, having considered the specific circumstances of this complaint, I think that any current or future reputational damage is unlikely.

So, having considered all the above, I also consider Barclays' compensation to be reasonable and I'm not upholding this complaint.

### **My final decision**

My final decision is I'm not upholding this complaint.

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

Paul Douglas  
**Ombudsman**