

complaint

Ms G has complained Lowell Portfolio I Limited won't accept her 'cheque' as repayment of her debt.

background

Ms G owes Lowell £4,665.27 for a credit card debt which they've owned for the last couple of years. Last year she sent them a 'cheque' to settle this debt. However Lowell refused to accept it. Ms G brought her complaint to the ombudsman service.

Our adjudicator told her he couldn't recommend upholding her complaint. He explained to Ms G why. He felt Lowell were justified in rejecting this 'cheque' when there was evidence to indicate they'd never have got any money for it.

As Ms G disagreed with this outcome, her complaint's been passed to me for my final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I can see Ms G has brought a number of cases to our service about similar circumstances where businesses won't accept her 'cheque'. And she's already received a final decision on one of those. I know she'll be disappointed as my decision follows similar lines to a fellow ombudsman's.

Firstly I can see Ms G is genuine in believing a 'cheque' issued by WeRe Bank is real and shows she's keen to settle the money she owes. Unfortunately for her:

- There is no evidence to show WeRe Bank is a proper bank. In fact unlike other banks in the UK, it is not regulated by the Financial Conduct Authority nor do they hold a banking license.
- The legislation underpinning cheques does not mean any business has to accept a cheque. If I believed this was a genuine cheque, which would help pay off Ms G's debt, I might ask Lowell to accept it as payment for her debt. But in fact I'm satisfied Lowell are correct in thinking they'd never get the money.
- Recently a Scottish court examined a case in which a consumer attempted to pay what they owed with a WeRe Bank 'cheque'. The court ruled the company who rejected the 'cheque' were able to refuse to accept payment that wasn't legal tender. Just because the WeRe Bank 'cheque' states it is legal tender, does not mean it is. And in fact I'm satisfied it's not.

Ms G has said these 'cheques' are accepted in the UK and globally. I don't believe this is true. In fact what WeRe Bank is doing has been described in a Canadian court as a fraud.

What WeRe Bank does is take fees from people, like Ms G, and send them printed documents that look like cheques – with an assurance they can be used to make payments. This bears no resemblance to a genuine bank.

Ms G is free to continue with her other cases and get them fully considered. But I feel it's only fair to let her know, in all likelihood the outcomes won't be different. I know Ms G wasn't sure whether my fellow ombudsman was really giving her a final decision, or just "*a letter of acknowledgement*". I can reassure her that she was given a final decision. Similarly this too is a final decision.

my final decision

For the reasons I've given, my final decision is not to uphold Ms G's complaint against Lowell Portfolio I Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 14 July 2016.

Sandra Quinn
ombudsman