

## **The complaint**

Mr C complains that Nationwide Building Society closed his account in 2014 and failed to account to him for the balance on the account.

## **What happened**

Mr C held a “passbook only” account with Nationwide. He wanted to close the account but was told he would have to go into a branch to do so. When he attended the branch in June 2023, he was told that the account had been closed and that the balance of £835.63 had been paid by cash or cheque. Mr C denied ever having received any payment to close the account and says he was told by the branch staff that a complaint would be raised.

Nationwide failed to raise the complaint and Mr C had to chase it up. Nationwide apologised for not raising the complaint and offered to pay Mr C £50 compensation. It also checked its records and found that a cheque for the balance had been issued to Mr C in May 2014. As its records only went back six years it could not confirm that the cheque had been cashed. However it advised that it would see any outstanding funds to be claimed as showing in its outstanding list. The outstanding screen on the corporate cheque system goes back a lot further than six years. A stop wasn’t keyed on the cheque because that would show even if it was stopped over six years ago. However, the cashed/paid screen only goes back six years so although it couldn’t confirm 100% it believed the cheque had most likely been cashed.

On referral to the Financial Ombudsman Service, our Investigator said that, as Nationwide is not expected to retain data of a closed account for more than 6 years as part of its retention policy, he was unable to ask it to do anything else to help locate the funds Mr C said are still missing from his passbook account.

Mr C did not agree and the matter has been passed to me for further consideration.

## **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.

Where the evidence about a case is incomplete or contradictory, as some of it is here, my findings and my decision are based on what in my opinion is most likely to have happened.

Mr C is adamant that he didn’t ask for his account to be closed and that he was not paid the balance on his account. In cases where an account has been closed and the funds not apparently received by the customer, our approach is that we expect businesses to carry out all necessary searches. Here, Nationwide is able to confirm that the account was closed in May 2014, and that the closing balance was £835.63. It was also able to identify that this was paid by a specific numbered cheque.

However Nationwide’s records of cheques cashed and paid only goes back six years. So it’s unable to say definitively that the cheque issued was paid in. However its records that do go back longer than six years don’t show that any cheques were stopped in respect of that

amount. Or that any funds were transferred to dormant or suspense accounts. Its conclusion was that it was most likely that the cheque closing the account had been cashed.

I appreciate that Nationwide's searches don't provide definitive proof that the cheque closing this account was cashed. But I have no reason to doubt that Nationwide carried out all the searches it could. And unfortunately because Mr C was unable to check up on the account for more than six years, Nationwide doesn't have the records to show that any cheques were cashed outside of that period. And, as it is not required to keep such records for longer than six years, I can't say that Nationwide was at fault for not being able to produce those records.

So, as I've said, I have to decide what in my opinion is most likely to have happened. And, given what information the searches did reveal, it does seem most likely that the cheque closing this account was cashed.

On the question of not raising a complaint, Nationwide has accepted that it should have done this at the time when Mr C visited the branch. It has offered him £50 compensation which I think is appropriate in the circumstances of this case.

I'm sorry that we can't be more helpful to Mr C, but overall I can't find that Nationwide was at fault, so I can't uphold his complaint.

### **My final decision**

Nationwide has already made an offer to pay £50 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Nationwide Building Society should pay £50 to Mr C.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 18 January 2024.

Ray Lawley  
**Ombudsman**