

The complaint

Mr S is unhappy that The Co-operative Bank Plc consider his account to be dormant.

What happened

In October 2022, Mr S received a letter from Co-op which explained they considered his account to have been dormant for more than 15 years and which explained what steps Mr S needed to take to reactivate the account.

Mr S didn't feel that his account should be considered as being dormant because he'd updated his passbook with accrued interest on several occasions and had also updated his address. So, he raised a complaint.

Co-op responded to Mr S and explained that the updating of a passbook and the changing of an address aren't classified by them as transactions. Co-op also explained that they define a transaction as either a withdrawal and a credit, neither of which had taken place on the account for approximately 16 years and reiterated that because of this they considered the account to be dormant. Mr S wasn't satisfied with Co-op's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel the Co-op had acted unfairly towards Mr S in how they'd managed the situation. Mr S remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

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'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

Mr S is unhappy that Co-op consider his account to be dormant because a customer-initiated transaction hasn't taken place on the account for roughly 16 years. And Mr S is also unhappy that Co-op don't consider the updating of his passbook and his updating his address with them to be transactions on the account.

In his correspondence with this service, Mr S has referenced the Dormant Bank and Building Society Account Act 2008 ("the Act") and notes that the Act doesn't define a transaction. But I'm satisfied that in the absence of a specific definition, it would be for Co-op to define what they consider to be a transaction – which I note that they have done, the details of which have been explained to Mr S – and that it isn't Mr S to declare to Co-op what they should consider as a transaction.

Mr S also refers specifically to Note 57 in the Act, which reads as follows (with my emphasis):

“This section explains when an account will be regarded as dormant for the purposes of sections 1 and 2. **In practice, as participation in the scheme is voluntary, institutions will have the flexibility to take into account other indications as to whether an account is genuinely dormant, in addition to meeting the requirements of this section.** For example, correspondence from the customer or activity in relation to other accounts held with the same institution may be regarded as evidence that the customer is still active and that their account which would otherwise meet the definition of “dormant” should not be transferred to the scheme.”

Mr S feels that the above section means that Co-op should consider the updating of his passbook and the updating of his address as being transactions. But I’m satisfied the above section confirms that it’s at Co-op’s decision and discretion as to whether they will do so.

Finally, Mr S feels that because he last updated his address with Co-op in 2021, they should take the information they obtained from him at that time as satisfying their present requirement for him to confirm his address with them, especially as Co-op are happy to write to him at his address about the dormancy issue.

But I’m satisfied that it’s for Co-op to set the processes they have for dormant accounts, including what they require from affected customers to reinstate their accounts. And I’m also satisfied that Co-op’s dormant account process and the steps they’ve asked Mr S to follow to reinstate his account aren’t unfair or unreasonable, especially given that this process applies equally to all affected Co-op customers.

All which means that I don’t feel that Co-op have acted unfairly towards Mr S as he contends here and follows that I won’t be upholding this complaint or instructing Co-op to take any further action. I realise this won’t be the outcome Mr S was wanting, but I hope he’ll understand, given what I’ve explained, why I’ve made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr S to accept or reject my decision before 28 September 2023.

Paul Cooper
Ombudsman