

The complaint

Mr B is unhappy that Lloyds Bank PLC have not provided him with the funds from his dormant account. He would like the money in his account with interest owed.

What happened

Mr B held a passbook account with Lloyds which as of December 1979 showed he had a balance of £1,360.94 (I'll refer to this as account A). He contacted Lloyds to locate the funds but they initially informed him they were unable to locate the account. After Mr B complained to our service Lloyds carried out a further investigation and found a separate account (I'll refer to this as account B) in Mr B's name which had been closed in 2009. Upon submitting their business file to us, Lloyds apologised for the oversight with the incorrect information they provided and acknowledged the inconvenience caused to Mr B so they offered him compensation totalling £100.

Our investigator thought the offer of £100 was fair and reasonable. He didn't think Lloyds needed to do anything further as the last entry on the passbook was over 40 years ago and the money could have been taken out the account since this time without the need for the passbook. He was satisfied with the searches Lloyds had provided and that no funds were owed to Mr B.

Mr B disagreed and said Lloyds haven't provided evidence the funds have been returned to him. He added Lloyds should be able to evidence if any funds were paid out and that they should have retained a copy of a cheque if one was issued to him seeing as the account was only closed in 2009. As Mr B disagreed, the complaint has been passed to me to consider.

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.

Lloyds has provided screenshots from its internal systems showing that they could not find the dormant account held in Mr B's name that he has referred to (account A). I don't think this is unreasonable. I say this because I can see that the last entry on the passbook is for December 1979 which is a considerably long time ago – over 40 years ago. So I don't think it's unreasonable that Lloyds may not have records of this account as they are not required to keep account records indefinitely.

Mr B is adamant that the funds showing in his account as at December 1979 should be paid to him. But I've taken into account the fact that funds could still be withdrawn from passbook accounts without having to have the book physically present as banks and building societies did not generally refuse a customer access to their money if, for instance, they had mislaid the passbook. So it is possible Mr B had access to his funds since the last entry without the passbook being updated in branch. I've also taken into account that over time memories can fade and it is possible the funds were taken out of the account, but that Mr B doesn't recall because it was such a long time ago.

Taking all of the above into account and the system searches carried out by Lloyds, I do not think there is an account outstanding with funds owed to Mr B. On balance I think it's more likely than not that the money was withdrawn from Mr B's account so I don't think Lloyds need to pay the amount he believes he is entitled to.

Lloyds has also provided a screenshot showing Mr B had a separate account (account B) which closed in 2009. Lloyds concluded the funds would have been sent to wherever Mr B requested at the time. I don't think this is unreasonable because if there had been funds left in that account, I would have expected them to show up on the internal records that they have provided, and it doesn't. So it follows that I don't think there is any money from this account that Lloyds needs to pay to Mr B.

I understand Mr B is disappointed there are no further records regarding this account to show that the funds were paid. He believes that this evidence should be available considering it was only closed in 2009. But as I mentioned above, Lloyds isn't obliged to keep all records indefinitely and here approximately 14 years has passed since the account was closed. So I don't think it's unreasonable Lloyds can't provide the details Mr B would like.

It's clear this issue is important to Mr B so I can understand his frustration at being given incorrect information by Lloyds as Lloyds didn't initially tell him about account B when he raised his query about account A. But I think the offer of £100 is fair and reasonable in the circumstances. Lloyds has since provided Mr B with the correct information, and this doesn't alter the fact that there are no funds due to him.

I realise my decision will be disappointing but for the reasons I've explained above, Lloyds don't need to do anything further. It is now up to Mr B if he wants to accept the compensation offer of £100.

My final decision

Lloyds Bank PLC have already made an offer of £100 to settle the complaint and I think that offer is fair in all the circumstances.

So, my final decision is Lloyds Bank PLC should pay Mr B £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 12 April 2024.

Marie Camenzuli
Ombudsman