

The complaint

Mrs J complains that Lloyds Bank Plc ('Lloyds') hasn't found an account she has a passbook for which shows she had £412.83 saved in 1985.

What happened

In 2022 Mrs J's mother found a passbook for a savings account with Lloyds she'd set up for Mrs J in 1979. The last balance to be recorded in this passbook was £412.83 in November 1985.

Mrs J and her mother liaised with Lloyds both in branch and over the phone in an effort to locate the account, but Lloyds was unable to do so. Lloyds also suggested Mrs J carry out a search on a website aimed at identifying lost bank accounts, but no information could be located.

Mrs J then raised a complaint with Lloyds. It said it couldn't look into her concerns as she had raised them too late according to the rules set by the Financial Conduct Authority (FCA). Specifically, Lloyds said she'd raised her complaint more than six years after 1985, when she ought to have known she had cause to complain.

Mrs J remained unhappy and brought her complaint to our Service. She was of the view that because Lloyds couldn't prove what happened to the account, it ought to reimburse her the outstanding balance along with interest. She also felt Lloyds should compensate her for the time and money spent trying to resolve this issue.

Our Service contacted Lloyds and it advised that having reconsidered the complaint, it didn't think it had been raised too late. It noted Mrs J only knew she had cause to complain when the passbook was recently found. In relation to the merits of the complaint, Lloyds said it had made reasonable efforts to locate the account but was unable to do so and there was no evidence it had done anything wrong.

After reviewing the evidence, our Investigator was of the view that Lloyds had acted fairly and didn't need to take any further action.

Mrs J disagreed. She felt that, given there was no proof the account was closed, Lloyds should give her the benefit of the doubt.

As no agreement could be reached, this 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.

Before explaining my thoughts on this complaint, I just want to highlight that I have considered whether this complaint was brought within the time limits which apply. These are highlighted in the Financial Conduct Authority's Dispute Resolution (DISP) rules. DISP 2.8.2

explains that a complaint must be brought to us within six years of the event being complained about, or, if later, within three years of when the consumer was aware, or ought reasonably to have been aware, they had cause to complain.

I haven't seen anything in the information that suggests Mrs J was aware, or ought reasonably to have been aware, of a cause for complaint over three years prior to the complaint being made. So, I'm satisfied I can consider the merits of this complaint.

I think it would be helpful to explain that passbooks offer a snapshot of an account at a particular point in time. The lack of further entries doesn't prove an account remains open or that there were no further withdrawals. And that's because new passbooks could be issued where old ones were lost, banks wouldn't refuse to allow consumers to withdraw their funds simply because they lost their old passbook, and with the transition to computerised records, not all banks collected in the old passbooks.

I've seen evidence that Lloyds has searched its systems and it can't find any record of this account. Mrs J has also tried to locate the account via a third party website and has been unable to do so. Over the course of this complaint Mrs J has also provided an address history at Lloyds's request and it has carried out further searches. But even with this additional information, Lloyds has shown us evidence that it still hasn't been able to find a record of the account on its systems.

Lloyds has searched its records for the account which is what I'd expect it to do. Banks aren't required to keep records indefinitely, so I don't think it's unreasonable that it isn't able to confirm to Mrs J exactly what happened with an account from 1985, over 35 years ago. And in the absence of any record suggesting the account remains open, I think it's more likely the account was closed, and the balance withdrawn. I recognise that Lloyds could have asked for Mrs J's address history sooner in order to conduct these additional checks, but I'm satisfied on the evidence I've seen that this wouldn't have changed things.

Taking everything into account, whilst I recognise my decision will come as a disappointment to Mrs J, I won't be asking Lloyds to pay the outstanding balance.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 11 October 2023.

Jade Cunningham
Ombudsman