

The complaint

Mr and Mrs S complain that Bank of Ireland (UK) Plc (BOI) deactivated their savings account without notifying them.

What happened

Mr and Mrs S took out a joint Post Office instant savings account. Mr S said they hadn't received any correspondence regarding the account since they opened it. He said he later contacted BOI to enquire about the account and he was provided with a new pin number for it, but he subsequently found out that BOI had deactivated the account.

Mr and Mrs S complained to BOI that they weren't informed before it deactivated their account. They were also unhappy that they had to provide proof of identity and fill out an application to reactivate the account. They said the process required them to stand in long queues at the local branch to have their documents certified.

BOI explained that it had regularly sent them account statements, and it had also sent letters to inform Mr and Mrs S that the account would be deactivated. However, it paid them £50 compensation because it recognised that they didn't receive the letter confirming the account had been reactivated, and for incorrect information it had given to Mr S during a telephone call.

Mr S referred the complaint to our service because he didn't think the compensation BOI paid them was sufficient. He said it ought to have sent the deactivation letters by recorded delivery to ensure they received them.

Our investigator didn't think the complaint should be upheld. She said on balance, she was satisfied BOI did send letters to Mr and Mrs S and said it couldn't be held responsible if they weren't received. She also thought BOI had acted in line with the terms and condition and given clear instructions regarding the deactivation process in its letters. Our investigator thought BOI could've sent the reactivation letter sooner and explained things better when it provided Mr and Mrs S with a new PIN number, but she thought it had fairly compensated them for the errors it made.

Mr S didn't accept our investigators opinion. He says BOI should be penalised if it can't produce actual copies of the letters it sent before it deactivated the account. As an agreement couldn't be reached, the complaint has been passed to me to decide.

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 agree with the outcome our investigator reached and for similar reasons. I'll explain why.

BOI already accepts it made some errors and compensated Mr and Mrs S for what it thought

went wrong. What I must consider here is whether it treated Mr and Mrs S fairly and reasonably when it deactivated their account and if its fairly compensated them for the errors it made.

Deactivation

BOI couldn't provide copies of the correspondence it says it sent to Mr and Mrs S prior to deactivating their account. Businesses aren't required to hold information indefinitely. Considering it's been over ten years since the account was opened and more than six years since it was deactivated, I don't think its unreasonable that it couldn't provide copies of the letters it sent. However, its provided screen shots from its internal systems which show it regularly sent statements to Mr and Mrs S before it deactivated their account.

There is no dispute Mr and Mrs S hadn't accessed their account since it opened, and it's not unusual for a business to deactivate an account when there's been no activity on it for several years. However, I would expect BOI to have notified Mr and Mrs S before doing so. The screen shots it provided show it sent Mr and Mrs S a letter to inform them the account would be deactivated and a subsequent letter once it was done.

Mr and Mrs S said they didn't receive the letters, and I accept this. But on balance, I'm satisfied BOI wrote to Mr and Mrs S regarding their account and I can't hold it responsible if they didn't receive the letters. It's also provided example of the letters it sends to customers before it deactivates an account. I'm persuaded the letter makes the process clear.

I think its important to explain that I understand that Mr S thinks BOI ought to have sent the letters by recorded delivery, to ensure they received them, but I don't think it had to. Whether it chooses to send letters by recorded delivery, is a business decision it is entitled to make. And It's not something we as a service would look to interfere with. I'm satisfied it's shown the correspondence was sent to the correct address which is the same address Mr and Mrs S provided to our service and in their application to reopen the account. Ultimately, I'm satisfied BOI did enough to make Mr and Mrs S aware of the action it was taking before it deactivated their account.

Reactivation process

Considering Mr and Mrs S's account had been inactive for several years, I don't think it was unreasonable for BOI to carry out checks before reopening it. I appreciate it will have been frustrating and somewhat inconvenient, but I don't find it unreasonable that BOI asked for identification documents as part of the process.

However, BOI recognised the service Mr and Mrs S received when they were reinstating their account was not as it should have been. Once the account was made active, it ought to have written to Mr and Mrs S to let them know. Its not clear whether it did send the letter at the time, but I can see that following a phone call with Mr S, the letter was regenerated and sent to them, and I find the matter was resolved in good time. BOI also acknowledges Mr S was given incorrect information during a phone call. It's already paid Mr and Mrs S £50 compensation and I'm satisfied that's fair in all the circumstances.

For the reasons set out above, I don't think BOI needs to do anything more.

My final decision

For the reasons given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to

accept or reject my decision before 3 January 2024.

Oluwatobi Balogun
Ombudsman