

The complaint

Miss L complains that Santander UK Plc closed her savings account and withdrew money from that account without her consent and knowledge.

What happened

Miss L held an instant savings account, which she opened in November 1994 with a balance of £100. This account was originally provided by another bank, but it was later taken over by Santander.

Miss L said she used to regularly fund her savings account and had a passbook to assist with making and recording credits into and withdrawals from the account. She said that she made her last deposit into the account on 14 May 2005. At that time, the balance recorded on Miss L's passbook was £5053.99.

Miss L said she didn't access her instant saver account after 14 May 2005 and, as the years went on, she forgot about the account. However, in 2019, Miss L said she found her passbook and saw that it was showing a balance of over £5000. At that time, Miss L was experiencing financial hardship. So, she decided to visit a Santander branch in order to withdraw some funds.

When Miss L spoke with Santander staff in branch, she was informed that her instant saver account had been closed on 13 June 2006. She was also told that a new savings account had been opened that day into which around £50 had been deposited.

Miss L refuted that she was aware or involved in the closure of her instant saver account. And she denied opening a new account the same day. She said her mobility had been severely impaired from October 2005 for around 11 months, which meant it was unlikely that she'd have been able to attend a branch to transact on her account. And she said she knew she hadn't been to a branch on 13 June 2006 as this was a relative's birthday. So, Miss L complained to Santander that her money had been appropriated and she requested its return.

After Santander investigated Miss L's complaint, it stated that it was only able to provide limited information because it only held financial records for six years. And it said this made it difficult to fully investigate the specifics of how Miss L's instant saver account came to be closed in 2006. But it said, based on the records it held, it was able to confirm that the new saver account had been opened on the day the previous one had been closed. It therefore didn't uphold Miss L's complaint or identify any errors in how it had dealt with her accounts.

Being dissatisfied with Santander's response to her complaint, Miss L referred it to our service. Our investigator assessed the evidence provided by Miss L and Santander. But she didn't think Santander needed to do anything more here. She explained that banks aren't required to retain records for longer than six years. And she couldn't conclude, on the available evidence, that Santander had made a mistake or treated Miss L unfairly. But Miss L disagreed and asked for the matter to be referred to an ombudsman.

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.

I'm sorry to hear about the difficulties Miss L experienced here. She's explained why the fund she'd been saving would have provided great assistance to her at this time in her life. And I can see she's suffered some upset and inconvenience in dealing with Santander. However, my role is to assess whether I think Santander made a mistake, or treated Miss L unfairly, in how it dealt with her concerns about her account balance such that it needs to now put things right.

I can see that Miss L has provided evidence together with very detailed submissions about her complaint. I want to assure her I've read and considered everything that both she and Santander have sent when reaching my decision. I haven't referred to all the points Miss L has raised as I've focused on what I feel are the key issues of this case. I hope Miss L won't take that as a discourtesy; my approach reflects the informal nature of our service.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

Santander has said that Miss L's account was closed in June 2006. That was over 15 years ago. So, I'd like to explain at the outset that, prior to this complaint reaching me, our investigator issued her view about why she was persuaded that Miss L's concerns weren't time barred. I can see that Santander accepted our investigator's view. So, I'm satisfied our service has jurisdiction to consider this complaint.

Miss L has denied closing her instant saver account and opening a new one. She's also asserted that the funds showing in her passbook on 14 May 2005 have been appropriated without her consent and knowledge by Santander.

Miss L has asked our service to direct Santander to repay the last sum recorded in the passbook. But for me to reach a conclusion that Santander should do that, I'd need to be satisfied, on the balance of probabilities, that it made an error and that it was responsible for the "loss" of the relevant funds.

I've considered the evidence Miss L provided our service, which illustrates her health and mobility issues from October 2005 onwards. I've also seen her passbook showing that her account balance, on 14 May 2005, was £5053.99.

Santander has provided our service with reliable evidence in the form of business records, which show that Miss L's instant saver account was opened on 12 November 1994 and closed on 3 June 2006. These records also show that a new account was opened in Miss L's name on the date the previous account had closed and funded with around £50. Based on the evidence I've seen, I'm satisfied Miss L's instant saver account was closed at the time Santander said it was. I'm also persuaded that a new account was opened in Miss L's name on the same day.

I've also seen copies of statements and account summaries dating from 2014 onwards, which Santander asserts were provided to Miss L. These relate to the new saver account

and show the balance was hovering at just over £50. Miss L claims not to have received any of these documents.

The passbook in Miss L's name shows the last the last recorded receipt to the account was £100 on 14 May 2005. At that time the account balance stood at £5053.99. But the fact that Miss L is still in receipt of her passbook isn't evidence that she didn't withdraw the funds in her account. I say this because it's possible for an account holder to withdraw funds and/or close their account in the absence of their passbook if they can produce satisfactory proof of identification. And that could be what happened here, which might explain why the passbook balance wasn't updated. This means I'm unable to safely infer that, because a balance is showing in the passbook, the money remains outstanding and is owed to Miss L.

Miss L has told our service that her health in June 2006 restricted her mobility and prevented her from attending a branch. She's also said she was otherwise engaged on the date her account closed as it was a relative's birthday. But a considerable period of time has elapsed since Miss L's account was closed. And, due to the passage of time, it may be that Miss L doesn't recall withdrawing the funds in her saver account, closing that account and then opening a new one.

I think it's unlikely that anyone, other than Miss L, would have opened a new instant saver account in June 2006. I say this because identification would need to have been produced to open an account as verification checks would have been necessary. And the account was funded the same day with around £50. I'm not persuaded that a third party would have been able to fund an account in Miss L's name without her permission or knowledge at the same time the account was opened – they'd have needed her identification documents to do so.

I can appreciate that Miss L would want to have sight of account closure and opening documentation to show who closed and opened the saver accounts in her name. But Santander has already explained, in its response to Miss L's complaint that it doesn't retain records for more than six years. It's told Miss L, and our service, that this is the reason it can't provide any further assistance.

I understand why Miss L might feel that Santander should be able to assist her further with her enquiries about her saver accounts. But I'm not persuaded that expecting Santander to have records from June 2006 is a fair or reasonable expectation. I'll explain why.

Santander is only required to have six years' worth of records. So, when Miss L's account was closed in June 2006 I'd only expect it to have retained records of that account until June 2012. With this in mind, it isn't fair to say that Santander should be in a position to have records that show communication, or other documentation, relating to the closure of Miss L's instant saver account or the opening of the newer saver account.

I recognise that Miss L feels very strongly about the issues raised in this complaint and I've carefully considered everything she's said. But I haven't seen enough evidence to enable me to safely conclude that Santander made an error. I'm therefore not going to ask it to do anymore here.

I realise Miss L will be disappointed with this decision. But it brings to an end what we, in trying to resolve her dispute with Santander informally, can do for her. I'm sorry we can't help Miss L any further with this.

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 Miss L to accept or reject my decision before 9 August 2021.

Julie Robertson
Ombudsman