

## The complaint

Mrs R complains Bank of Scotland plc, trading as Birmingham Midshires (“BM”), hasn’t shown that her passbook account was closed and any funds in it were returned to her. She has no recollection of withdrawing any funds or closing it.

Mrs R is professionally represented. But to keep matters simple, I’ll mainly refer to Mrs R in my decision.

## What happened

Mrs R opened a savings book account with BM in 1996. A copy of the book shows £1,000 was deposited in June 1996. There are no further entries on the book Mrs R has provided and at the bottom it says, *“this passbook must be presented when withdrawals are required”*.

In 2023, Mrs R requested BM to provide her with an account balance. BM responded and said that after checking its records against the information Mrs R provided it doesn’t hold any open accounts in her name. It also said that prior to 2013 it was legally obliged to hold information for six years – and so it can’t provide further information.

Unhappy with what BM said, Mrs R complained. BM didn’t uphold Mrs R’s complaint. In summary, it made the following key points:

- Mrs R found a passbook from 1996, but BM can’t confirm exactly what happened with this account due to how long it retains customer records and account details
- Based on what BM know, the account was closed more than 10 years ago and hasn’t gone into a dormant state as there’s no funds in its ‘Unclaimed Assets’
- As the account was closed the funds would’ve been transferred out by cheque, cash, or bank transfer to another account in Mrs R’s name
- Although the passbook says the book needs to be present for withdrawals, this doesn’t apply to a closure

Mrs R referred her complaint to this service. One of our Investigator’s looked into it, and they recommended it wasn’t upheld. In summary, they made the following key findings:

- BM isn’t required to keep records indefinitely. So it’s reasonable it can’t confirm exactly how the account was closed given the entry on the passbook was around 28 years ago
- Passbooks give a snapshot of an account at a particular point in time. Mrs R has given a copy of her passbook from 1996 – the lack of further entries doesn’t prove an account remains open or there weren’t any withdrawals
- Passbooks could be issued where old ones were lost, and banks wouldn’t have refused for its customers to withdraw funds simply because they had lost their book

- BM has searched its records in the way this service would expect it to do so and doesn't need to do anymore

Mrs R and her representatives didn't agree with what our Investigator said. In short, they said BM hasn't provided any evidence there had been any withdrawals or the account was closed.

In response, our Investigator said most banks started using computers to record transactions in the 1980's. Passbooks became redundant and no longer needed to be presented to carry out a transaction. It was also possible for an account to be closed without surrendering a passbook. So the account could've been closed even though the passbook wasn't given back.

Mrs R main points in response were:

- The outcome suggests that were two parties disagree, the respondent business is correct
- Passbooks haven't become redundant as the representative and their family still have theirs. Passbook accounts require that they must be present in branch and all transactions are recorded in them
- Prudent businesses keep records indefinitely

As there is no agreement, this 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 have decided not to uphold this complaint. I'll explain why.

Mrs R has sent a copy of her BM passbook which has the singular entry from 1996 in it – and she says she doesn't remember making any withdrawals or closing the account. However, that in of itself, doesn't mean the account is still open given the copy is a snapshot in time. Its worth noting too, that from what we've seen of this type of complaint, financial businesses didn't deny a known customer to access their account just because they'd mislaid their passbook.

Having said that, we would expect BM to show that it has searched its systems and present that evidence to us. BM has sent this service technical records from its internal systems. Having carefully reviewed this, I'm satisfied it shows Mrs R's account must most likely have closed more than 10 years ago. BM is obligated to keep customer and account records from 2017 for ten years. And for six years before 2017.

BM has also shown that it's checked any unclaimed balances against Mrs R's details. This search has yielded no result.

I do accept that as records haven't been kept this isn't conclusive evidence Mrs R had withdrawn her funds and closed the account. But where evidence is inconclusive or incomplete, I can make my decision on what I think is most likely to have happened. I'd also add that financial businesses aren't required to keep records indefinitely.

So, after weighing everything up and in summary, I'm persuaded, on balance, that its most

likely Mrs R's account was closed, and the balance withdrawn after the last recorded entry in the passbook. It follows then that I haven't seen compelling or persuasive evidence the balance and account remain in existence.

I understand that some banks or building societies may still use passbooks. But this complaint is against BM, and I've looked at the evidence and arguments both parties have presented to help me decide this particular complaint.

### **My final decision**

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 23 October 2024.

Ketan Nagla  
**Ombudsman**