

The complaint

Mrs F complains that Lloyds Bank PLC ('Lloyds') hasn't provided a good reason or justification for refusing to repay money she deposited in a passbook account.

I am grateful to Mrs F's representative who has assisted her in bringing this complaint. But I'll refer in my decision to Mrs F as the complainant as the account belonged to her.

The account was previously held with another financial business that is now merged with Lloyds, which is responsible for dealing with the complaint. So to keep things simpler I'll mostly just refer in my decision to 'Lloyds'.

What happened

Mrs F contacted Lloyds to enquire about an account she'd opened with Lloyds' predecessor business in 1990. She holds a passbook for the account which shows a five-figure balance she wants to claim.

Lloyds said it had searched thoroughly and was unable to locate the account using the details she had provided. It told her that the existence of a passbook didn't necessarily mean the account was open with a balance of funds. Lloyds said due to the time that had lapsed since 1990, and its record retention policy, it couldn't say what had happened to her money.

Unhappy with Lloyds' response, Mrs F brought her complaint to us.

Our Investigator did not uphold the complaint, saying (in brief summary) that the existence of the passbook did not prove that the account still existed or that Lloyds owed Mrs F any money. He was satisfied that Lloyds had attempted to locate the account by undertaking various searches and checks and that its records showed no trace of the account. Overall, he didn't feel that Mrs F's assurance that she had never withdrawn money from the account, along with the arguments she marshalled in support of her complaint, were enough, on balance, to say that Lloyds should pay her the sum shown in the passbook.

Mrs F strongly disagreed with the Investigator's view. There has been substantial ongoing correspondence concerning Mrs F's main objections. She felt that the Investigator had misconstrued her complaint. She put things this way: *'...This complaint isn't about Lloyds' internal account record keeping procedures or search practices, it's about the reasoning given by Lloyds for refusing to accept its liability to repay my ...deposit.'*

Highlighting here just a selection of Mrs F's key concerns, she said that both she and her representative *'...are as certain as we can be that no withdrawal has ever in fact been made.'* She doesn't agree that the onus should rest with her to prove that Lloyds doesn't still hold her money. She argues that the evidence of the deposit having been made and the lack of any evidence of withdrawal means Lloyds is required to repay her. She believes that the fact Lloyds has found no record of the account is immaterial so far as its obligations as custodian of her money are concerned. She suggested that if Lloyds was concerned that paying her the balance shown in the passbook could mean that she got her money back

twice, she would undertake to return the overpayment if clear evidence of a previous withdrawal later emerged.

As the complaint is not resolved, it has come 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 broadly similar reasons. I'll explain my reasons.

I've approached this complaint in a way that reflects the informal complaint handling service we provide. My role is to consider the evidence presented by the parties and reach an independent, fair and reasonable decision based on the facts of the case and the evidence provided by both sides. In doing so, I may not address everything that's been mentioned and I've summarised things only briefly and often in my own words. But it doesn't mean I haven't considered the evidence and what's been said here – it just means I haven't needed to specifically refer to everything in order to reach a decision in this case.

We make decisions based on a balance of probabilities. In other words, what I consider is more likely than not to have happened in light of the available evidence and the wider circumstances.

Mrs F believes that Lloyds is still holding money belonging to her. And I can appreciate why Mrs F is frustrated when there's a lack of clear information about what happened to the money in the account. But based on all the information I've seen and been told, I am satisfied that Lloyds has done everything I would reasonably expect it to do here and the information I've seen supports what Lloyds has already told Mrs F.

Lloyds wasn't able to confirm that it had taken over this historic account, despite carrying out extensive searches. It has shown that in addition to checking against details shown on the passbook, searches were also conducted using other possible names and postcodes that might have been recorded on the account. And additionally, Lloyds checked whether the account showed up in the records maintained by the team responsible for managing dormant and inactive accounts. All Lloyds' enquiries came back negative.

Mrs F feels that Lloyds should pay the account unless it can prove she's already had the money. She says the account could only be operated with the passbook and it still shows her original deposit. There is no information recorded showing that money was ever withdrawn from the account - which she says would have been recorded in the passbook. Mrs F is certain that she never took any money from the account. She says the only reason she would have done so would have been to reduce mortgage debt – and she and her representative have checked, and that did not happen. Mrs F says she simply forgot about the account and then lost contact with Lloyds' predecessor business when she moved and only rediscovered the passbook more than 30 years later.

Mrs F asks me to conclude that she's provided '*compelling evidence... that no such withdrawal was ever made*'. Mrs F feels we've given '*...100% evidential weight to the lack of an internal system record and no weight to documentary proof held...*'

I must be impartial. It wouldn't be fair for me to simply accept at face value what Mrs F says when this isn't supported by other evidence. The most recent evidence of the existence of this account, and the funds held in it, is the passbook showing an opening balance in 1990 –

information that is now some 35 years out of date. Mrs F can provide no information about the ongoing existence of the account.

Set against this, I must take into account that Lloyds says the passbook wouldn't have included any transactions, withdrawals, account transfers or closure information if it wasn't used – and that might be the case if the account was transferred or closed.

I accept that it was possible (and not particularly unusual) for account holders to be able to make transactions from passbook accounts without the passbook. So I am satisfied that the uncanceled passbook Mrs F holds is not enough evidence that Lloyds is holding the balance it shows. And it follows that I cannot reasonably rely on the information in the passbook showing an outstanding balance. It's worth bearing in mind that passbooks can be lost, and replacements issued which could mean that a rediscovered passbook may not show if the balance has been withdrawn or the account closed. Mrs F has no recollection of this happening here and I don't know if it did. But she has admitted to having forgotten about the account altogether (at least until rediscovery of the passbook). So I must allow for the possibility that she may also have forgotten withdrawing the money or the account being closed.

In coming to my view, I've kept in mind that within just three months or so after opening the account, Mrs F got married and the following year she and her husband jointly bought a property together.

I don't doubt that Mrs F is certain that she's correct in saying that the deposit shown in the passbook '*...was simply forgotten about from a very early stage*'. But it would be unreasonable to expect Mrs F (or anyone) to be able to recall all the details of every financial transaction from so long ago – especially bearing in mind that Mrs F was dealing with two major life events around the time of the deposit and in the months that followed. Both of these events would likely have been expensive and it would be surprising if Mrs F had overlooked such a substantial sum when planning spending at the time, having only recently deposited the money. I've taken into account what Mrs F told us about prioritising early settlement of the mortgage. But, on balance, I think it's likely that, due to the passage of time, Mrs F might be overlooking what happened to the money in the account.

For all these reasons, and even if she promised to pay the money back if necessary, it wouldn't be fair for me to require Lloyds to pay the money Mrs F said was in the account.

Mrs F has expressed concern that she's been disadvantaged in bringing her complaint by Lloyds' poor record keeping. I think it's worth keeping in mind that where a new business takes over accounts transferred to it, this can often lead to records being lost – sometimes stored information can't be read on a different computer system or data can be corrupted or lost during the transfer process. I haven't seen enough to be able to say that Lloyds ever held information about this passbook account.

In any event, I wouldn't reasonably expect Lloyds to keep old records indefinitely. I've seen nothing to make me think this account was in use. When an account is closed or unused it makes sense to delete confidential account information to help ensure that a client's financial details remain private. Keeping old records puts client data at risk so there would need to be a strong argument for doing this. Holding on to information in case it might be needed in years to come isn't a good enough reason to retain out of date personal information, such as a customer's account details. And data protection requirements mean that, generally speaking, businesses are not required to keep paperwork longer than needed. So the fact that Lloyds can't tell Mrs F everything she would like to know about this historic account isn't a good enough reason for me to be able to uphold Mrs F's complaint.

On balance, I think it's more likely than not that Mrs F withdrew the balance in the account, possibly quite early on to help fund expenses arising soon after the money was put on deposit, and the account closed at some point after when it wasn't used again.

As far as I can see, Lloyds has treated Mrs F in a fair and reasonable way. It has carried out the enquiries I would expect and told Mrs F all the information it has found out. So I can't uphold this complaint.

My final decision

For these reasons, 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 F to accept or reject my decision before 24 March 2025.

Susan Webb
Ombudsman