

The complaint

Mr and Mrs W are unhappy with Bank of Scotland plc trading as Halifax. Mr and Mrs W found an old passbook and asked Halifax to trace the funds held in the account. Halifax eventually found the account and said it closed with a balance of £4,331.30 and the balance was no longer available.

What happened

Mr and Mrs W feel fobbed off by Halifax. They said they lost the passbook, and the account money wasn't touched until the passbook was found. When they did find it, they contacted Halifax, but it couldn't find the account at first. Mr and Mrs W continued to press Halifax to find it and eventually it found an account. Halifax said the account closed and at the point of closure the balance had been £4331.30.

Mr and Mrs W said they only had one other account with another bank "T" and after checking with T they could find no record of a cheque, a transfer or cash being paid into this other bank account. Mr and Mrs W feel Halifax still owe them the money. Mr and Mrs W said this has been stressful and find it hard to believe Halifax can't trace the money.

Halifax said the account opened in 1996 and on 11 October 2004 it held £12,941.62 and this total was recorded in the passbook. It said the balance reduced by £6,000.00 when two separate transactions were recorded of £3,000.00 each being withdrawn and paid into ISAs in Mr and Mrs W's names on 23 October 2004. It said the remaining account money was paid into a new Guaranteed Reserve account held in joint names. The balance was paid into an Instant Saver on 12 December 2005 and another £3,000.00 was withdrawn. At closure on 20 May 2006 this left the £4,331.30 balance. Halifax said at this stage the account wasn't lost, it was closed. It said the passbook wasn't proof of an account still existing. Halifax said it acts as a statement only and its clear it hadn't been updated since the closure of the account. It concluded as both Mr and Mrs W have investments with Halifax the money may have moved into these or was moved externally by them.

As Mr and Mrs W remained unhappy, they brought their complaint to this service. Our investigator didn't uphold the complaint. He said Halifax noted due to the amount of time passed there was no record on the current system and the last record showed the account closing with the balance of £4,331.30. Our investigator said Halifax had carried out the necessary checks and searches. He said there was no evidence an account was still in existence. He accepted the account closed when Halifax said it did in 2006.

Mr and Mrs W didn't accept this and asked for their complaint to be passed to an ombudsman for a final decision.

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.

Mr and Mrs W were adamant the money had remained untouched in the account when the passbook was missing. They said there was no way they would have taken the money in cash.

Mr and Mrs W maintain the only place it could have gone was to their other bank T and they have closely checked all the records, and the money didn't go to T.

Mr and Mrs W said this was a lot of money to them. They concluded if Halifax couldn't find the record it should still pay them out by way of a goodwill gesture. They said the discussions with Halifax had taken a toll on them during this time.

Halifax said when the account closed it searched all account holdings Mr and Mrs W had and the £4,331.30 didn't clear to any account holdings they held with the bank. It said it could only assume Mr and Mrs W took the money in cash or transferred it to an external account. Although at one point Halifax did suggest Mr and Mrs W may have moved the money into their other investments with the bank.

Halifax said, *"We allowed accounts to be closed without presentation of the passbook, as otherwise customers would not have been able to access their money if their passbook was missing."*

It concluded *"However, the account in question was closed and the funds repaid or transferred onto other accounts. We don't know exactly what became of each transaction at each time and would not be expected to be able to provide such level of information so many years on."*

I understand Mr and Mrs W's point about the money being untouched in the account while they couldn't find the passbook. But based on Halifax's response the money was transferred, sent to different accounts, and added to other investments over the years. But I accept Halifax did take a little while to locate the last of the money and the account closure.

On the other hand, I do accept Halifax's point that a passbook is no guarantee that funds remain in the account. I agree that accounts can be closed without a passbook being presented. But Mr and Mrs W feel Halifax owe them the balance of the account at the point when it closed.

I can only base my decision on what is most likely to have happened on the balance of probabilities. There's no evidence to suggest the final balance or the closure date in 2006 are incorrect. And its accepted Halifax is unclear what happened to the money at this point as its records from such a long time ago are limited.

But I think Halifax has provided details to show it has carried out an extensive check on whether or not it had the funds moved into a dormant account area. There's no record now of any later account being in existence and no record of any further transactions after the account closure date.

Based on the records I've seen I accept that the funds aren't held in an account on behalf of Mr and Mrs W by Halifax. The evidence shows it most likely Mr and Mrs W moved the money out of the final account. And so, it doesn't appear that Halifax holds any funds for Mr and Mrs W.

I think Halifax acted fairly and reasonably in the way it handled the account money, and I don't require it to take further action.

My final decision

I don't uphold this complaint.

I make no award against Bank of Scotland plc trading as Halifax.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Mrs W to accept or reject my decision before 14 August 2025.

John Quinlan
Ombudsman