

The complaint

Mrs G has complained about NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY trading as Ulster Bank (NatWest) refusing to pay out funds that she believes are held in a dormant account with it.

Mrs G is represented in her complaint.

What happened

In 1988 a joint savings account was set up with NatWest in the names of Mrs G and her father. Mrs G's father died in 1995, at which time the account would have been amended to her sole name.

In 2024 Mrs G's representative found the passbook for the account that was issued in 1988. It showed the initial deposit of funds, but no withdrawal. As such, he completed a dormant account claim form on Mrs G's behalf. NatWest confirmed that it had no record of the account, including in its records of dormant accounts. As such, it concluded that although the passbook didn't record any withdrawals, the money must have been withdrawn and the account closed.

Mrs G's representative complained, and NatWest responded in a letter of 10 January 2025. It did not uphold the complaint, and Mrs G asked us to consider her complaint.

One of our Investigators considered the complaint, but she didn't recommend that it be upheld. Mrs G didn't accept the Investigator's conclusions and asked that the complaint be referred to an Ombudsman. Her representative set out his understanding of how passbook accounts worked, which was that the passbook would need to be provided to NatWest in order to make any withdrawals. As there were none recorded in the passbook, he disagreed that a withdrawal must have been made, and the account closed.

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 have noted Mrs G's representative's explanation of how passbooks were used for accounts. It is correct that when deposits and withdrawals were made on that type of account it would have been recorded in the passbook. However, the fact that there is no withdrawal in the passbook does not necessarily mean that the account still exists and has money in it from 1988.

NatWest has explained its processes and record keeping for dormant accounts. It has also evidenced the searches it completed to trace the account. Nothing was found on its records for the account. NatWest has also confirmed that, like many banks at the time, it phased out passbooks around 25 years ago. If the account remained open at that time, Mrs G would not have been required to return the passbook, she would simply have been issued a new electronic way of accessing the account, most likely a bank card.

I also note that the passbook is in the name of Mrs G and her father, who died in 1995. When Mrs G informed the bank of that fact, the account would have been transferred into her sole name. I don't know what NatWest's processes would have been at the time, but it would have been fairly standard banking practice for new documentation to be issued in Mrs G's sole name. The existing passbook would then have become invalid and could not have been used to access the account, so it's unlikely that NatWest would have insisted on the old passbook being returned.

In order to uphold this complaint, I need to be satisfied that Mrs G's account remained open with a positive balance, and that NatWest made a mistake in some way and deleted the records relating to it. It can't be proven that something didn't go wrong many years ago and the savings account was deleted from the bank's records, and it owes her money, as Mrs G believes. However, of the possibilities for why no records are available, that seems to be the least likely option. It is far more likely that after the joint account holder died, and new documentation was issued, or the bank phased out passbooks, so the passbook in question was not in use, the money was withdrawn and the account closed. I know that this will disappoint Mrs G, but I am not persuaded from the evidence that NatWest owes her the balance of the 1988 savings account plus interest.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs G to accept or reject my decision before 24 December 2025.

Derry Baxter
Ombudsman