

The complaint

Mr C complains that Lloyds Bank PLC has not accounted to him for funds which he believes are held in a Cheltenham & Gloucester (C&G) ISA.

What happened

Mr C has explained that he recently found a C&G passbook in his name, showing a cash ISA with a balance in April 2008 of nearly £10,000.

Mr C contacted TSB Bank, which had taken over most C&G accounts when it became part of Lloyds TSB in 1995. TSB said that it was likely that the account or information about it had been moved to Lloyds in 2013, when the group had been restructured.

Lloyds said initially that it had no record of the account and that it was likely therefore that it had been closed some time after April 2008. Given the passage of time, it was unable to provide more information, but it paid Mr C £75 in recognition of the delay in providing an answer to his enquiry. Mr C said that he had not closed the account and noted that the passbook did not indicate that it had been closed. He referred the matter to this service.

Mr C also provided Lloyds with more information. That additional information was reviewed by Lloyds, which said that it had been able to identify that an account in Mr C's name had been closed in March 2009 and that the balance of over £10,000 had been sent by cheque to Standard Life. The figure provided by Lloyds was about £350 more than the balance shown in the passbook a year earlier. Lloyds was able to provide the cheque reference, but little more detail.

Mr C said that he had never had an account with Standard Life or with Barclays, which took over its banking business in 2010. He said too that Lloyds' records did not show that the cheque had been paid or who the payee was.

One of our investigators considered what had happened and issued a preliminary assessment. He concluded, on balance, that the account had been closed and the funds sent to Standard Life in 2009. Whilst the evidence was limited, that was to be expected in the circumstances. He did not recommend that the complaint be upheld.

Mr C did not accept the investigator's recommendation and asked that an ombudsman review the case.

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.

For clarity, the complaint which I have considered here is Mr C's complaint that Lloyds (as the institution which took over responsibility for the administration of Mr C's ISA and complaints arising from it) did not properly account to him for the funds which he said remained in it. I have not considered here, for example, whether the account was closed or funds paid out without Mr C's instructions. That might be a new complaint, but it is not one which – at this stage at least – either the bank or this service has considered.

Mr C is correct to say that the passbook does not show that the account was closed. On the face of it, therefore, it suggests that the account is still open. However, whatever a passbook may have indicated, it has long been the case that banks and building societies have allowed withdrawals from or the closure of passbook-based accounts without the passbook. Since computerisation in the 1970s, passbooks have not been the primary record of an account. The passbook in this case, therefore, is evidence of the account position in April 2008, but it is not evidence that it remained open after that date.

Further, banks and building societies are not obliged to keep records of closed accounts indefinitely. So, where there is no evidence of activity on an account for many years, the fact that an account provider has no record of an account is very often evidence that it has in fact been closed.

That said, where a customer provides evidence of an old account (with old statements or, as in this case, with a passbook) we do expect a bank to carry out a thorough check of its records before concluding that the account has been closed. I am satisfied that Lloyds did that here, before reaching the conclusion that it was more likely than not that the account had been closed.

Indeed, on receipt of further information, Lloyds says it was able to establish that the account was closed in September 2009. It says it was also able to establish how the account was closed, what the balance was at the time and where the funds were sent. I can understand why Mr C says that the information provided is not conclusive, but I am satisfied – albeit on the balance of probabilities – that the bank's assessment is correct. And it may be that Mr C will be able through further investigation either to locate the funds or obtain more detail about what happened to them. In my view, however, Lloyds has dealt with Mr C's enquiry and subsequent complaint fairly in the circumstances.

My final decision

For these reasons, my final decision is that I do not uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 March 2026.

Mike Ingram

Ombudsman