

Complaint

Mr M complains that Lloyds Bank PLC hasn't been able to trace an account he opened in the 1990s.

Background

Mr M recently found a Lloyds cheque book going back a number of years. On Mr M's behalf, Mrs M asked Lloyds' branch staff to try and trace the account. She's advised that the branch staff initially told her to come back with some identification so it could provide more information. But when Mrs M returned with Mr M's documents no information about the account was given to her and she was asked to contact head office.

Mr M's representatives asked Lloyds to trace the account and say it should remain open. But Lloyds has told us it's been unable to trace the account and it isn't shown in its records as being dormant. Lloyds explained it doesn't retain information indefinitely and the account was most likely closed. Lloyds apologised for the delay in responding to Mr M's queries and sent a cheque in his name for £150.

The complaint was referred to our service and passed to an investigator to look at. They didn't uphold the complaint and thought Lloyds had done everything possible to try and trace the account. Mr M's representatives responded and gave some history concerning why Mr M opened the account and the amount that may have been deposited in it. But the investigator wasn't persuaded to change their view. Mr M's representatives asked to appeal so his complaint has been passed to me to make a decision.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I appreciate that Mr M opened the account many years ago under difficult and, from what we've been told, unusual circumstances. But the existence of a cheque book doesn't mean that the account related to it remains open. And Lloyds isn't required to retain information indefinitely.

I've looked at all the available evidence. I know Mr M's representatives feel the information submitted demonstrates there is an open account with Lloyds but I haven't found any evidence to support that. Lloyds says the cheque book was issued over twenty years ago and that's supported by the timeline Mr M's representatives have given us. As a starting point, I'm satisfied the account has been opened in the 1990s as Mr M says.

When accounts contain funds but aren't used for a significant period, businesses will make them dormant. Part of that process means the account will be recorded on the dormant account register with details of the existing balance. Lloyds has searched its dormant account register but hasn't located anything for Mr M.

If the account remained open but wasn't made dormant, Lloyds systems would be able to locate it. Lloyds has provided evidence of the searches it completed that show it doesn't have an open account in Mr M's name with the account number provided.

I'm satisfied from the evidence I've seen that Mr M's account wasn't made dormant and added to the register and doesn't remain open.

I know Mr M's representatives have provided some account number searches that they feel shows his account remains open. But banks routinely recycle account numbers which means Mr M's old account number may well have been reallocated. In addition, the search information wasn't provided by Lloyds, it was supplied by a third party website. I'm satisfied the systems evidence I've seen shows there's no open account, active or dormant, in Mr M's name.

In response to the investigator, Mr M's representatives said Lloyds is obliged to keep details of the closing balance and date of accounts that are closed. But I'm not aware of any rule or regulation that requires Lloyds to retain information of that nature indefinitely. Lloyds says it's only required to retain account information for ten years and I haven't found anything to show it's made a mistake.

Lloyds sent Mr M a cheque for £150 because of delays in responding to his representatives' queries and complaint. As I haven't found that Lloyds has made a mistake or treated Mr M unfairly I'm not going to tell it to take any additional action. I leave it to Mr M and his representatives to decide whether to accept the £150 settlement.

My final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 March 2020.

Marco Manente
Ombudsman