

## The complaint

Mr M complains that Bank of Ireland (UK) Plc, trading as the Post Office cannot locate his savings bond account and has lost the funds he had invested in it.

## What happened

Mr M deposited £7,000 into a Post Office 12 Month Growth Bond in 2009. He said he must have reinvested as in March 2011 the Post Office told him his Bond was maturing. He said it urged him to reinvest the money and confirmed this transfer at the end of April 2011. Mr M said in March 2012 the Post Office wrote to thank him for reinvesting and confirmed the transfer in April 2012. Mr M said he received tax deduction certificates from the Post Office on 26 April 2013, which was the last communication he received from the Post Office.

Mr M went online to check his investment, but his security details weren't recognised. He called and was told the account had been closed and there was no trace of his money, and no explanation of what had happened to it. Mr M complained to the Post Office that he hadn't requested the closure of any account and it made no attempt to return the money when it decided to close it. He said this is a shameless and disgraceful way to treat elderly customers, which has caused him a great deal of anxiety and stress.

The Post Office responded to Mr M that as his account was closed over seven years ago, it has no records or further information as this was deleted in line with its data protection policy. The Post Office said it has adapted to the Data Protection Act by deciding that seven years is an appropriate time for retaining information and it destroys all details after this.

Mr M wasn't happy with this as there was no information about the whereabouts of his money, and he refused to accept that it simply vanished into thin air. He said he hadn't moved house during this time. He said that effectively over £8,000 has been stolen from him. He said account information may well be irretrievable, but money does not simply cease to exist.

Mr M referred his complaint to our service. Our investigator didn't recommend it be upheld. She said the Post Office hasn't acted wrongly by not keeping records of Mr M's accounts beyond seven years as the data protection law only requires it to keep records for six years. She said Mr M's savings bonds matured in 2011 and 2012 and were then re-invested as confirmed by the Post Office. But she hadn't seen anything to suggest the funds were reinvested after this point and so it's reasonable to assume, that the Post Office would have notified Mr M when the bond matured in 2013 as it has also sent him the tax certificate.

The investigator said it's been over 10 years since the last of Mr M's bonds known to be held with the Post Office matured and as he regularly reinvested the money, it seems unlikely he would have left these funds without taking further steps. She said it's also likely the Post Office would have contacted him further during the following years. She said she would expect the Post Office to still have records if it was still holding Mr M's funds. And so she considered the account was closed after maturing and the funds returned.

Mr M wasn't satisfied with this outcome and requested an ombudsman review his complaint. He accepted the Post Office complied with the Data Protection Act, but not that the loss of

funds was his fault for not checking sooner. He's given us all correspondence, of which the last was dated 26 April 2013.

Mr M agreed that it seems unlikely the Post Office wouldn't have contacted him further after 2013, but said that it did not. He said the Post Office should have records for as long as money is held – his hasn't been returned and so it's absurd the investigator feels it acceptable not to hold the Post Office to account for mismanaging his account closure.

### **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 M is horrified and disgusted that the Post Office has closed his account and disposed of his funds without contacting him, or without his consent. I was sorry to learn about Mr M's experience and I sympathise with him for the anxiety and stress this has caused him.

My role is to determine whether what took place was in accordance with the rules governing the retention of data and to see if the Post Office has treated Mr M fairly and reasonably. Unfortunately there's almost no available evidence with which to consider this complaint but I have looked to see whether the Post Office followed the process correctly.

I'm grateful to Mr M for sending us the communications he has received from the Post Office regarding investments he started in about 2009. Unfortunately, these end over 10 years ago and the Post Office says it no longer has any records of any of Mr M's investments.

The Post Office has told Mr M that as his account was closed over seven years ago it is unable to provide the information he seeks. Regulated financial businesses are required to maintain records for six years after accounts are closed. The Post Office has a data protection policy under which it keeps records for seven years after an account is closed and so has deleted records of Mr M's account. I can see that the Post Office has acted in line with its data protection policy.

Mr M said the Post Office should have records showing they are holding money that belongs to him, for as long as they are holding it, regardless of the Data Protection Act. I agree, but the reason the Post Office is no longer holding any records is because 'his account was closed over seven years ago'. In other words, the Post Office is saying it doesn't hold any records about Mr M because it doesn't hold any of his money – his account was closed and paid.

The lack of any evidence makes it unlikely that the account became dormant and still exists. If Mr M's account had not been closed it would not, and should not have been removed from the Post Office's records. The lack of any trace of the account and the lack of further tax certificates or other communications is persuasive that the account was closed. A decision by the Post Office to close an account must be notified to an account holder by post and the balance paid. From what I have seen the latest record of a Bond held by Mr M was the Loyalty Bond 12, which was due to mature on 30 April 2013. But there is nothing to show what happened on maturity with this account.

It's reasonable for the Post Office not to have retained records from 10 years before, although a few banks do. I can see that Mr M doesn't accept the justification for the lack of information from the Post Office, but he has no information about the ongoing existence of the account. When the parties disagree about what has taken place, we have to decide the most likely outcome on the balance of probabilities. In this case, having considered the evidence, I'm persuaded that the account was most likely to have been closed. And so it wouldn't be fair to the Post Office to require it to pay funds that were once held within Mr M's account.

In conclusion, I think that the Post Office has followed the correct process in closing Mr M's account and dealing with the balance. As I haven't found anything to show that the Post

Office has made a mistake in the handling of Mr M's account, I cannot require it to take any action.

If Mr M does find any other information about his account, he should pass it on to the Post Office in the first instance to help it to locate the accounts. If, after this, he remains dissatisfied it is open to him to bring a new complaint to our service if he wishes.

I realise that Mr M will be very disappointed by this outcome, though I hope he will appreciate the reasons why it had to be this way.

**My final decision**

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 30 July 2024.

Andrew Fraser  
**Ombudsman**