

The complaint

The estate of Mr B complains that Nationwide Building Society has been unable to locate two Capital Bonds the late Mr B left in trust for his grandchildren.

What happened

The late Mr B passed in 1967 and left funds in trust for his grandchildren. In 1986, one of the trustees of Mr B's estate retired and was replaced by two new trustees, leaving Mr JB (the son of the late Mr B) and Mrs R and SB as the new trustees of the estate of Mr B. Mr JB passed in 2020 and the remaining trustees of the estate of Mr B asked Nationwide encash the Capital Bonds it held under trust so the funds could be distributed. Nationwide was unable to trace the Capital Bonds and Mrs R, representing the trustees of the estate of Mr B, complained.

Nationwide searched its archives and computer records for any Capital Bonds or other accounts it may still hold in the name of Mr B. Nationwide said it had also searched for the two specific Capital Bond account numbers the trustees had provided. Unfortunately, Nationwide couldn't find any records and didn't uphold the complaint.

Mrs R brought the complaint to the Financial Ombudsman Service and one of our Investigators looked into things. The Investigator thought Nationwide had completed reasonable searches of its computer and archive records, and that it's more likely than not the Capital Bonds had matured or were encashed before 2001. Mrs R, on behalf of the estate of Mr B, asked that an Ombudsman decides the complaint.

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 a great deal of empathy with Mrs R and the trustees of Mr B's estate. It will have come as a great shock to them that the wish of the late Mr B to leave them a cash amount hasn't materialised. However, As there is no record of what happened to the Capital Bonds after 1986, I've based my decision on what I think is more likely to have happened. I understand that Mrs R and the estate of Mr B will be terribly upset by my decision, but I've decided that I won't be asking Nationwide to do anything else. I will now explain why.

Although I may not necessarily comment on everything Mrs R has told us, I want to make it clear I've reviewed all of the very personal testimony from Mrs R, and all of the documents she provided on behalf of the estate of Mr B. I thank Mrs R for taking the time to provide details of her and her family's recollections in such difficult circumstances.

Mr JB and a solicitor were appointed as trustees of the late Mr B's estate in 1967. When the solicitor retired in 1986, Mrs R and SB were appointed as new trustees alongside Mr JB. The deed of appointment from 1986 makes specific reference to two Capital Bonds with Nationwide with account numbers ending 672 and 680. It's these two accounts that are at the crux of the complaint.

Financial businesses aren't required to keep a record of investments or accounts indefinitely. There is a responsibility on customers – or trustees in this case – to maintain records of any investment accounts. In this case the information about any accounts is quite limited and the information is from many years ago. It seems more likely than not the accounts were set-up between 1967 and 1986, but there is no other documentation that the trustees of the estate of Mr B can provide. Because of the passage of time, I think it's unreasonable to expect Nationwide to be able to produce account opening documents from the time the accounts were opened or any statements while the accounts were open. Having said that, I think it's quite likely that Nationwide would have sent documents to the trustees providing further details of the investment and any ongoing statements. Although the trustees say they have no records, I'm confident Nationwide would search again if the trustees were able to supply any further documentation if it became known. Regardless of this Nationwide did complete a search of its archived accounts based on the information the trustees provided. In this case, I'm satisfied Nationwide acted reasonably and found no archived statements for either of the account numbers Mrs R provided, or indeed any accounts in the name of the late Mr B. Nationwide suggested that this would indicate the accounts were closed or encashed before 2001.

The account numbers and values of the Capital Bonds were included in the 1986 deed of appointment along with reference to the accounts being with Nationwide. However, this deed was executed over 30-years ago. There is no other evidence of what happened to the accounts during this time. I acknowledge Mrs R and the estate of Mr B have the strong belief the accounts remain with Nationwide - but Nationwide did complete a reasonable search of account numbers, names and addresses provided by Mrs R and found it doesn't hold the accounts. Therefore, based on the evidence provided, I've decided it would be unfair and unreasonable for me to uphold this company.

My final decision

For the reasons I've detailed above, I've decided not to uphold the complaint made by the estate of Mr B to Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr B to accept or reject my decision before 9 April 2024.

Paul Lawton
Ombudsman