

The complaint

The estate of Ms A ("The Estate") is unhappy that TSB Bank plc released the proceeds of the late Ms A's accounts to a person who wasn't legally entitled to it.

What happened

Ms A held several accounts with TSB. Sadly, in November 2017, she died. Following this, The Estate contacted TSB on several occasions requesting information about Ms A's accounts, and was eventually told by TSB that their authority over Ms A's accounts wasn't recognised by TSB and that the information that they were requesting had already been provided to the executor of Ms A's estate. The Estate wasn't happy about this, given that it was the legal executor of Ms A's estate. So, it raised a complaint.

TSB looked at The Estate's complaint and issued a complaint response to it. However, this response didn't address the issues about which The Estate was complaining. So, The Estate referred its complaint to this service.

One of our investigators looked at this complaint. They felt that TSB had released the proceeds of the late Ms A's accounts to a person that wasn't legally entitled to it, from whom The Estate had then had to recover the money.

Our investigator therefore recommended that this complaint should be upheld in The Estate's favour, and that TSB should pay 8% simple interest on the balance of the proceeds of the accounts for the period from when The Estate should reasonably have received the money from TSB to when they were able to recover it from the unauthorised party.

TSB didn't agree with the view of this complaint put forwards by our investigator, so the matter was escalated to an ombudsman for a final decision.

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.

Following the death of Ms A, TSB were approached by the unauthorised party (who it must be noted is a relative of Ms A) and their legal representatives, who provided TSB with credible evidence to suggest that the unauthorised party was the executor of the estate. This included the death certificate for Ms A which listed the unauthorised party as the informant on the certificate. TSB then completed a bereavement form with the unauthorised party, who signed the form as the legal representative authorised to deal with the estate.

It's understandable then, to a degree, why TSB felt that the unauthorised party was the executor of the estate such that the proceeds of the accounts could be released to them.

However, before TSB released the proceeds of the accounts to the unauthorised party, they were also contacted by The Estate and its legal representatives, who advised TSB that they were the executors of Ms A's estate and who sought confirmation from TSB on how to move

forwards. As such, it's clear that TSB were aware that two parties were both claiming to be the executors of the estate before they released the proceeds of the accounts to the unauthorised party.

TSB have confirmed that they followed their process for estates where the balance of the estate is below their threshold whereby letters of administration aren't required by them before releasing the estate funds.

TSB are entitled to operate such a process. But when that process leads to an unfair outcome, as is clearly the case in this instance, I find it difficult to conclude anything other than TSB should be held accountable for any unfair outcome that arises as a result of the application of that process.

Additionally, given that TSB were aware that two separate parties were both claiming to be the executors of the estate, it's difficult to understand why TSB didn't take steps to corroborate which of the two parties were the legitimate executors before releasing the estate funds. And had TSB taken this obvious additional step, none of the issues that resulted from TSB releasing the estate funds to the unauthorised party would have occurred.

All of which means that I'll be upholding this complaint in The Estate's favour and instructing TSB to pay 8% simple interest on the balance of the proceeds of the accounts for the period from when The Estate should reasonably have received the money from TSB (which I feel was when TSB released the money to the unauthorised party on 12 October 2018) to when The Estate were able to recover it from the unauthorised party (which took place on 29 November 2018), during which time I'm satisfied that The Estate were denied access to the monies as a result of TSB's unfair actions.

Putting things right

TSB must pay The Estate 8% simple interest on the full balance of the proceeds of the accounts for the period 12 October 2018 to 29 November 2018

My final decision

My final decision is that I uphold this complaint against TSB Bank plc on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Ms A to accept or reject my decision before 19 August 2022.

Paul Cooper
Ombudsman