

The complaint

Mr W1, acting on behalf of the estate of Mr W, complains that Barclays Bank UK PLC didn't make the agreed payment from the late Mr W's account to cover the cost of his funeral.

What happened

Mr W1 says that a meeting was held with Barclays and it was understood that Mr W had enough money in his accounts to cover the cost of his funeral and that this payment would be made from the account in the event of Mr W's death. Mr W died in January 2020 and the funeral costs were £4,960. Mr W1 says that Barclays didn't pay the amount due to the funeral directors - instead paying only £1,645 - and paid an amount of over £1,000 to a credit card that he says his late father didn't have.

Barclays was unable to confirm the meeting that took place when Mr W's funeral costs were discussed and so couldn't confirm how much money was in his accounts at that time. It said that the late Mr W had two accounts with a combined total balance of £4,552. Barclays said that it received notification of the funeral costs being £4,960 however it only paid the funeral directors £1,645 which it subsequently understood was the deposit amount paid by the estate. It then used £1,189.05 to clear Mr W's credit card debt and the surplus was paid to Mr W1. It acknowledged that covering the funeral costs should have been a priority and apologised for the upset not doing this had caused. It noted the funds available wouldn't have covered the whole cost of the funeral but said the full amount in the accounts should have been used to pay the funeral directors. Because of this it offered to pay £1,189.05 as this shouldn't have been used to pay the credit card and instead should have been used to pay the funeral directors. It noted the amount that Mr W1 had received could also be used for this purpose. It also offered to pay Mr W1 £200 compensation for the upset it had caused.

Our investigator thought that the offer made by was reasonable.

Mr W1 didn't accept our investigator's view.

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 am sorry to hear of the issues Mr W1 has been experienced in regard to his father's estate. This will have been particularly upsetting given he was also dealing with the loss of his father at this time. In this case, Barclays has confirmed that the total amount of money in Mr W's accounts at the time of his passing was £4,552.18. I note the comments Mr W1 has made about a meeting taking place and the understanding being that Mr W had sufficient funds to cover his funeral costs, however as the funeral costs were £4,960 this was higher than the amount in Mr W's accounts. Therefore, I cannot say that Barclays is required to cover the total funeral costs.

The funds from Mr W's account were distributed to three parties: the funeral directors, a

Barclays credit card, and Mr W1. I note Barclays terms and conditions state that debts will be offset (including credit cards) before money is released to the estate. However, it has been accepted that in this case the money should have been paid to the funeral directors before it was paid to the credit card or Mr W1. Had this happened the amount wouldn't have been enough to pay the full cost of the funeral, but it would have paid the majority of it and there wouldn't have been funds left for the other payments.

In considering the action that Barclays should take given the issue that has arisen, I think that Barclays' offer to pay the funeral directors the amount that was paid to the credit card is reasonable. As the other amount was distributed to Mr W1, Mr W1 would have been able to use this money to pay the funeral costs and so I do not find that Barclays is required to do anything in regard to this amount.

I know this isn't the outcome that Mr W wants but, in this case, I think the offer made by Barclays to pay the £1,189.05 to the funeral directors is reasonable.

I am sorry that Mr W has had to deal with this issue and understand how upsetting this must have been. I note that Barclays offered to pay a total of £200 compensation. However, as the complainant in this case is the estate of Mr W, I cannot recommend that compensation is paid for the distress and inconvenience Mr W1 had been caused through this process. Therefore, I recommend he discusses this part of the offer directly with Barclays.

Putting things right

Barclays should, as it has offered, pay the amount of £1,189.05 (that was used to pay Mr W's credit card) to the funeral directors. Mr W1 can discuss directly with Barclays the offer made in regard to compensation.

My final decision

My final decision is that the offer made by Barclays Bank UK PLC is reasonable.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr W to accept or reject my decision before 23 September 2022.

Jane Archer
Ombudsman