DRN-3977703

The complaint

The estate of Mr H complains that The Royal London Mutual Insurance Society Limited failed to act on the instructions of the Executor of the estate, and it says this has caused a financial loss.

In particular, the Executor complains that despite having instructed Royal London to sell two investments held by the estate, only one investment was sold.

The estate is represented in this matter by the Executor of the late Mr H's estate.

To put matters right the Executor says he wants Royal London to compensate the estate for the fall in the value of the investment it didn't sell when he instructed it to do so, and to compensate him for the time he has spent dealing with this matter.

What happened

In early August 2022, the Executor notified Royal London that Mr H had very sadly died. Royal London sent claim forms to the Executor for the investments the late Mr H held with it.

On 15 August 2022, Royal London received the claim form for one of the investments, an ISA. The form the Executor completed did not refer to a Grant of Probate having been applied for and instead provided a signed indemnity form. As the ISA was valued at less than £30,000 and Royal London was unaware that the Executor had applied for a Grant of Probate, it sold the ISA holdings, as instructed, and sent the proceeds to the Executor on 22 August 2022.

On 19 August 2022, Royal London received the relevant claim forms for the second investment. However, on these forms the Executor confirmed that he had applied for a Grant of Probate.

The information Royal London had sent to the Executor explained that if a Grant of Probate had been applied for, it needed sight of it before it could proceed with a claim. It also explained that if the account of the deceased was valued at over £30,000, Probate must be provided, before it could proceed with a claim.

As the Executor had confirmed that Probate had been applied for, Royal London wrote to him on 19 August 2022, explaining that before it could settle the account it needed sight of the Grant of Probate.

The Grant of Probate was provided to Royal London on 4 October 2022. The remaining investment was then transferred into the Executor's name, in-line with his updated instructions.

The Executor then complained to Royal London on behalf of the estate of Mr H.

Royal London did not uphold the complaint. It said it was satisfied that it had followed the

correct procedures when it was notified that the Executor had applied for a Grant of Probate.

The Executor was not satisfied with Royal London's response and referred the matter to this service.

Having carefully considered the complaint our investigator said he didn't think Royal London had acted incorrectly in this matter. He noted that the Executor had completed the forms for the non-ISA investment stating that a Grant of Probate had been applied for.

As this was the case, and Royal London had made clear in the information it had provided to the Executor that it would need to see the Grant of Probate '…*If you do not send everything required, it may cause a delay in settling the claim'*, he said he was satisfied that any delay in acting on the Executor's instructions in relation to the non-ISA investment was due to the delay in providing Royal London with the Grant of Probate.

The Executor did not accept our investigator's decision. He said, in summary that *'…the original instruction [was] to sell both or all policies, they could have done so, and held the monies until Probate was granted and I would have sent it to them as I did'.*

He also explained that Royal London had *'… sold one and not the other, this is where the loss of value is claimed the Probate argument was later. It was my active thinking not to take the loss and transfer them to my name was down to me…'.*

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.

Having done so, I don't think Royal London has acted incorrectly in this matter. I'll explain why.

When the Executor completed and returned the claim form for the ISA, he was not required to provide the Grant of Probate as the value of the ISA was under £30,000 and he provided a signed indemnity form and confirmed that the value of the estate was less than £30,000. The guidance notes Royal London provided with the claim form for the ISA set out that a Grant of Probate was not required in these circumstances. (It is not clear why the Executor told Royal London that the estate was valued at less than £30,000 as this was incorrect.)

However, when the Executor completed and returned the claim forms for the non-ISA investment, he confirmed that a Grant of Probate had been applied for. He also confirmed on the form that the value of the late Mr H's account was more than £30,000. The guidance notes attached to the claim form explained that the Executor would need to provide the Grant of Probate before Royal London could settle the claim if the value of the investment was over £30,000.

In his response to this service the Executor said he feels Royal London should have acted on his instruction to sell the non-ISA investment when it received his instruction to do so, and it could have *'held the monies until Probate was granted'.*

I am sympathetic to the Executor's position, but as the non-ISA investment was valued at over £30,000, before Royal London could act on his instructions to sell or to transfer the investment, it needed to know who was allowed to act on behalf of the estate by seeing a Grant of Probate.

I do understand why the Executor feels Royal London could have sold the investment and

then paid out the proceeds once it had received the Grant of Probate. But if it had sold the investment and then it had subsequently come to light, when the Grant of Probate was provided, that it had taken instruction from someone who did not have authority to act on behalf of the estate, Royal London would have been at fault.

I'm satisfied that Royal London acted fairly when it said it needed to see the Grant of Probate before the non-ISA investment could be transferred or sold. And I don't think it acted incorrectly when it said it couldn't act on any instructions until this had been provided, to ensure that the instructions it had received had been given by someone with authority to act for the estate.

I appreciate that the Executor feels Royal London should have acted on his instruction to sell the non-ISA investment and could have retained the money from the sale of the investment until it had seen the Grant of Probate, but as the guidance notes it provided to the Executor clearly set out, Royal London wasn't permitted to act on any instructions for investments valued at over £30,000 until it had sight of the Grant of Probate.

It is very unfortunate that the value of the non-ISA investment fell while the Grant of Probate was being obtained, but I can't reasonably require Royal London to compensate the estate for any fall in the value of the fund. I am satisfied that it clearly set out that it would need to see the Grant of Probate before it could settle the claim and I cannot hold Royal London responsible for any delay the Executor experienced in obtaining the Grant of Probate.

My final decision

For the reasons I have set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr H to accept or reject my decision before 6 October 2023.

Suzannah Stuart
Ombudsman