

## **The complaint**

Miss R complains that National Savings and Investments (NSI) wouldn't allow her access to her joint account savings.

## **What happened**

Miss R held a joint savings account in the name of herself and her husband. But Miss R didn't take her husband's surname when they married. Very sadly, Miss R's husband passed away on 26 April 2022. Miss R contacted NSI on 12 July 2022 - because she needed access to some of the money for funeral expenses and accommodation. She had tried to make a withdrawal online but found that the account had been blocked. NSI told her that they needed to see her marriage certificate to allow her access to the funds – as the account wasn't in their married names. The joint account was transferred into Miss R's sole name on 8 August 2022 and a withdrawal of £50,000 was then made on 17 August 2022, leaving a balance of £51,001.

Miss R complained. She argued that under the rule of survivorship, the joint account savings automatically passed to her. She said that NSI didn't need to see the marriage certificate – and for them to ask for it was sexist and discriminatory. She also said she sent in a copy of the marriage certificate as requested, but then had to provide the original. She needed to withdraw money urgently to pay bills that were due – including funeral expenses and temporary accommodation. She therefore had to rely on an overdraft facility and loans from family and friends to see her through. She also found NSI insensitive in dealing with her situation, and they continually referred to their 'back office' to deal with issues.

NSI said where investments are held jointly and in different surnames, they needed to see a copy or original marriage certificate, before transferring the savings into a sole name. They apologised that Miss R's copy marriage certificate (which she had sent in) hadn't been accepted and she hadn't been told that. NSI asked to see the original certificate, or a certified copy. They paid two amounts of compensation - £45 and £50.

Miss R brought her complaint to us. Our investigator said that the rule of survivorship should've applied and the savings should've been transferred into joint names without having to see the marriage certificate. She said Miss R should receive compensation of £400 – Miss R agreed.

But NSI then gave more information and said that under the legislative rules that NSI must follow – if an account has a balance of £50,000, they need to ensure that no Inheritance Tax (IHT) is payable before releasing funds. They can do that by seeing a Grant of Probate, or other proof that IHT has been paid. But that isn't needed where the survivor is the deceased spouse or civil partner. Therefore – that's why NSI asked to see the marriage certificate. And then, the account could've been transferred into Miss R's sole name.

In view of this further evidence, our investigator issued a second view. She revised her opinion – and said she could see why the marriage certificate needed to be shown to NSI. But because NSI's explanation of it had been poor, she still awarded a lower amount of compensation - £75.

Miss R didn't agree and asked that an ombudsman look at her complaint.

*I reached a provisional decision in which I said:*

The context of Miss R's complaint is important here – she suffered the sad death of her husband on 26 April 2022 and needed access to the joint account funds to pay funeral expenses, and secure accommodation - she told us she needed to do that. She assumed that she could withdraw money as she was a party to the joint account, and as she was the surviving party to it. And so – when she contacted NSI on 12 July 2022, to be told that wasn't possible must have been very upsetting and stressful. That very much comes across in her correspondence with us. And she felt that NSI were being unreasonable and discriminatory in not applying the rule of survivorship and not allowing her access to the money without seeing a marriage certificate.

I asked NSI several further questions. And they came forward with a further clarification – for which I am very grateful.

In summary, I found there were a number of errors by NSI here – as while they acted correctly and in line with the legislation that they operate by, they misadvised Miss R in their final response; and NSI should've been able to release the funds much earlier on the back of a solicitor's letter and coroner's certificate sent to them on 16 June 2022; and I found their call handlers to be insensitive to Miss R's situation, and deferred to taking instructions from another internal department.

NSI explained to our investigator that they must operate in line with the legislation – the National Savings (No. 2) Regulations 2015. This is included in NSI's operating processes. And it says that where a balance of over £50,000 is held in joint names, NSI must ensure that IHT has been paid, or isn't payable. But this is not required where the survivor is the deceased's spouse or civil partner – in other words, NSI could complete the IHT check by asking to see the marriage certificate. So – they were correct to ask for it. But – they didn't explain that to Miss R.

In NSI's final response, they didn't explain things clearly. As it said “...*on the death of a customer, investments held jointly will only automatically pass to the surviving holder if they are married. If the holders are not married, we would be required to request sight of a Grant of Probate, before we can process a claim.*” So – that was misleading. I also listened to the calls between Miss R and NSI on 13 July 2022 – and the call handler simply said they needed to see the marriage certificate, without any explanation – so that wasn't helpful to Miss R's understanding either.

I can see that Miss R's solicitors wrote to NSI on 16 June 2022 – and said they were acting in Miss R's late husband's affairs and evidenced a copy of the coroner's certificate dated 9 May 2022. The certificate described Miss R's late husband as being just that – and so it certified they were married, and therefore - there shouldn't have been any need to see marriage certificate at all. NSI have now come forward with that clarity – for which we are grateful. But my finding is that NSI should've relied on that document - and if they had, then Miss R would've had much earlier access to her funds and avoided the stress and upset that she suffered from then on.

I listened to the calls between Miss R and NSI's call handlers on 12 July 2022 and 13 July 2022. Unfortunately I have to say I found them insensitive to Miss R's situation – it's not clear if NSI's internal records showed that Miss R's husband had died – I presume they must have as the account had been blocked - but they didn't express any sympathy or condolence and appeared process- driven. And said they had to defer to another internal department –

who weren't answering their phone, so they couldn't help. That happened on two successive days – on 12 July 2022 and then on 13 July 2022. Therefore, the call handlers couldn't help Miss R resolve her issue.

On the first call on 13 July 2022, the call handler opened a complaint for Miss R. He said it would mean that she could get access to her money quicker. He paid compensation of £45 and closed the complaint on the same day – so I'm not sure how that was going to resolve Miss R's core need - to get access to her money.

And on the second call on 13 July 2022, in advising Miss R that her (original) marriage certificate was needed (because that was what the back-office team had told the call handler) – then it would take several more days for her to make a withdrawal. Unfortunately, the call handler didn't explain why the document was needed – and in all honesty, I doubt if he could be expected to explain – as he was being directed by the separate bank office team.

But – the consequence was that Miss R became more upset and frustrated at what she considered was an unreasonable position for NSI to take. Miss R has argued that it would have made sense if she could've spoken directly to NSI's back-office team (I assume it was their bereavement team). We can't tell NSI how to organise their operations – but I would only observe that in Miss R's situation, it didn't help by her having to deal with a call handler who was being directed by another department.

NSI also confirmed there had been some confusion over the receipt of Miss R's marriage certificate – and in their final response, paid compensation of £50 in recognition of that – which I think was a fair thing to do.

Therefore, I don't think NSI acted reasonably here, and it resulted in a poor experience for Miss R – at a time where she had suffered the loss of her husband; and was having to deal with his affairs and everything that goes with it. I think it's only reasonable therefore that NSI should pay an additional amount of compensation in addition to the £95 they've already paid. I intend this to be £400, and that is line with what we would expect to see and reflects the sad circumstances in which Miss R found herself.

#### *Responses to the provisional decision:*

Both Miss R and NSI agreed with my findings.

I now need to make a final decision. **(continued)**

### **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.

As both NSI and Miss R agreed with the provisional decision, I'm not departing from it in making my final decision. So – NSI must do what I suggested in it.

### **My final decision**

I uphold this complaint. And National Savings and Investments must:

- Pay compensation for distress and inconvenience of £400. This in addition to the £95 already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 29 March 2023.

Martin Lord  
**Ombudsman**