

## **The complaint**

Mr F and Ms P complain in their capacity as trustees of a trust, which I will call T. Briefly, they complain that Leeds Building Society acted without the proper authority in respect of T's money.

## **What happened**

The background to this complaint is complex, but I set out what I consider to be the key facts below:

- Mr F and Ms P are siblings as well as trustees of T. T was set up to benefit their brother during his lifetime, and after his death the assets held within T were to be divided between Mr F and Ms P (or their children and grandchildren if either of them were to die before their brother).
- In 2010 the trustees set up an account with Leeds for T. Everyone now accepts that the account should have been set up on a 'two to sign' basis. In other words, any withdrawal instructions should have required signatures from both Mr F and Ms P.
- In early 2022 the trustees told Leeds that their brother had died. Leeds then removed both trustees from the mandate for T's account, and went on to tell Mr F that he wasn't authorised to deal with T's account. In effect, Leeds told Mr F that it intended to treat the money held in T's account as belonging to his brother rather than as money held in trust for their family. Leeds now accepts that the trustees' ability to access T's account should not have been impacted by their brother's death.
- Leeds later allowed the money in T's account to be moved to a different Leeds account – but it did so following instructions from Mr F only; it did not obtain consent from Ms P. Leeds later accepted that it should not have taken any action without the consent of both trustees, and put T's money back into the account it had been in before Mr F gave his instructions.
- Our investigator thought Leeds should pay the trustees £150 to compensate for its errors.
- Mr F considers that Leeds should pay more than £150. His position is that £500 would be more appropriate, particularly as the problem could have become considerably larger – and money might have been paid to his brother's executor – had he not intervened.
- Ms P also considers that Leeds should pay more than £150, but for a different reason. Ms P is much less concerned than Mr F about the possibility T's money might have been paid to their brother's executor; she explained that she is confident the executor would have simply returned any money received in error. Ms P's concern is primarily about Leeds' decision to move T's money without her authority.

- Mr F and Ms P have both agreed that any compensation paid as a result of this complaint should be shared between them, with each of them receiving half of any payment.

The parties could not reach agreement, so the matter was referred to me as an ombudsman.

### **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.

Everyone accepts that Leeds made errors here. It should not have removed the trustees' access to T's account after their brother's death, and it should not have done anything with T's money without consent from both Mr F and Ms P. This dispute is about the level of compensation rather than about whether Leeds made any errors.

### **Putting things right**

So far as financial loss is concerned, I'm satisfied that ultimately no harm was done. Leeds swiftly moved T's money back to where it should have been, and T is no worse off as a result of Leeds' errors.

That leaves the question of the trustees' distress and inconvenience. I accept that both trustees were genuinely worried about what could have happened, and so I think Leeds should pay compensation for the distress that it caused. I also accept that the problems could have become considerably worse, and that further errors might have occurred but for the trustees' vigilance. But I don't think it would be fair or reasonable for me to award compensation for what could have happened.

Overall, taking into account all the circumstances and applying my own judgement, I consider that a total compensation payment of £150 does represent fair and reasonable compensation here. I understand that it would not be practical for Mr F and Ms P to deal with a joint payment for £150, so Leeds should pay £75 to each of them

### **My final decision**

My final decision is that I order Leeds Building Society to pay £75 each to Mr F and Ms P, making a total payment of £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 12 June 2023.

Laura Colman  
**Ombudsman**