

The complaint

Mr H complains on behalf of the estate of the late Ms H that Lloyds Bank PLC won't allow access to the estates account after a dispute was raised.

What happened

Ms H held an account with Lloyds when she sadly passed away in March 2021. In her will Mr H was named as the executor of her will. But a third party, who I shall refer to as X, raised a dispute about the account activity, and whether Mr H was the rightful executor of the estate. Lloyds took the decision that they would not release the funds in the account without a Grant of Probate.

Mr H raised a complaint on behalf of the estate. He also complained that he had to make several requests for information relevant to the estate to be sent to him, and that X had been sent a copy of Ms H's bank statements.

Lloyds responded to say that once a dispute has been raised on an estate, they will only release the funds once the Grant of Probate has been granted. They said when X had informed them of Ms H's passing, they'd accepted that there was no will in place. On that basis they'd allowed them to request information about the account. But they accepted they hadn't responded appropriately for the requests for information and sent Mr H a cheque for £125. He declined this amount.

Unhappy with this answer Mr H referred the estate's complaint to our service. One of our investigators looked into what happened. As there was a dispute over rightful entitlement to the funds in the account, they felt it wasn't unreasonable for Lloyds to ask for a Grant of Probate.

Reviewing the contact notes, they felt that Lloyds could have known that there was will in place despite what X had told them, which may have prevented the statements being sent to them. But they didn't think this had impacted the running of the estate. The investigator accepted there were delays in providing Mr H with information about the estate's accounts, and this had impacted the running of the estate in preparation for court. They felt that the compensation offered to the estate should be increased to £200.

Lloyds accepted this as an outcome. Mr H accepted the outcome in relation to the information provided. But he said Lloyds had not given him details about X's dispute and felt he had been given misleading information. These had caused additional delays to the duties of the executor, and the settling of the estate. But this didn't change the investigators mind. As no agreement could be reached the complaint has been passed to me to decide.

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 mindful that the complainant here is the estate of the late Ms H – rather than any individual associated. And for us to consider a complaint, we generally have to make sure we're dealing with the executor of the estate and more often than not this is the person or persons named on the Grant of Probate.

In this case though I understand Ms H's estate is a small estate – which is one valued at less than £5,000. So, with that in mind our service has the discretion to accept the person named in the will as someone who can represent a small estate in a complaint. This is our service's policy, but this doesn't mean this is universal across the financial services industry. Lloyds obviously have a different policy here.

That is ultimately a decision for businesses themselves to make about what information they require. The Grant of Probate settles the issue of who the executors of an estate are. If there is a dispute about who should ultimately have access to the estate, then it would be reasonable for a bank to rely on the Grant of Probate.

In this case, there is a dispute over who should be entitled to access the estate's accounts, and act on behalf of the estate. I've read what Mr H has said, and what X has told Lloyds. But the actual underlying dispute over who has the right to manage the estate isn't for Lloyds to decide upon. Mr H has said Lloyds didn't give him the information on the nature of the dispute with X, but it's not Lloyds' role to act as an intermediary.

In the circumstances it's appropriate for the bank to request the Grant of Probate. This is in line with their own internal policies, and a decision they are entitled to make.

Mr H has sent us some information about X's claim being struck out in court. We've suggested sending this to Lloyds to consider. But the basis of complaint is Lloyds asking for the Grant of Probate – which I do not find unreasonable, so I'm not asking them to do anything further here.

In terms of Lloyds sending X a copy of Ms H's statements – I agree that at the time they did they could have known that there was a will. In the circumstances they could have taken more reasonable care in sharing this information, but I don't see that this will have impacted the handling of the estate. So, I'm not recommending they do anything further.

I've also considered the delays in Lloyds requesting the information Mr H asked for. This was made as a Data Subject Access Request (DSAR), which allows an individual to request the personal information held on them. But in this case, I accept Mr H was requesting information to help him with the management of the estate, which brings it in to the scope of this complaint.

Lloyds have accepted that they didn't provide the information in a timely manner, and ignored several requests for information, which will have had an impact on the running of the estate. On that basis I consider compensation to the estate to be appropriate. I'm satisfied £200 is a fair amount and reflects the impact on the running of the estate.

My final decision

My final decision is that Lloyds Bank PLC must pay the estate of Ms H £200 for the delays in providing information.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Ms H to accept or reject my decision before 20 October 2023.

Thom Bennett
Ombudsman