

The complaint

Mr L as the Executor of the estate of the late Ms T complains that National Westminster Bank Plc ("NatWest") failed to close Ms T's account before she died despite him being given the authority to close the account by Ms T and him complying with all NatWest's stated requirements for closing an account from abroad. Mr L says this has resulted in Ms T's estate incurring unnecessary costs - in particular having to get a grant of probate resealed.

What happened

The late Ms T held an account with NatWest opened around 1994 which held a significant amount of money in it. Ms T was in her 90's and lived abroad. She wished to close her account with NatWest and asked her son, Mr L to do so on her behalf.

NatWest's website says that to close an account if you live abroad and are unable to attend a branch, that a customer can request closure in writing signed by the account holder.

On 18 April 2022 Mr L sent NatWest a letter instructing it to close Ms T's account. Within the letter he enclosed Ms T's last bank summary, an extract from NatWest's website regarding its procedure followed for account closure and a letter authorising Mr L to act on Ms T's behalf with instructions to close the account and where to transfer the funds signed by Mr L and Ms T witnessed by a solicitor. Mr L asked that NatWest contact him by email and to acknowledge receipt and advise of the approximate time to process the closure.

NatWest responded to this by letter to Ms T dated 5 May explaining that it was unable to close the account as her signature couldn't be validated and asked that she provide "a new closure authority signed in accordance with your current mandate". NatWest sent a chaser letter for this on 13 May.

Mr L telephoned NatWest on 24 May where he says he explained the situation with his mother and was told his mother's signatures don't match. When Mr L asked what evidence was required to validate her signature he was told he would be sent an email explaining what was required. Mr L called again on 26 May. He says he spent around 45 minutes on the phone and was told they couldn't advise him as he wasn't the account holder and the correct form to provide him with information wasn't signed. Mr L was told again someone would email him, but he never received a response.

Mr L submitted a complaint about this to NatWest on 7 June. Mr L complained that NatWest kept writing to his mother and explained that his mother relies on a carer to collect and read her mail and that she needed to go into care and needed the funds from her account to allow this to happen. Mr L asked if his mother's signature couldn't be validated to explain to him what was required as neither he nor his mother knew what "in accordance with your current mandate" meant. Mr L informed NatWest that he had her photo driving license and held a registered power of attorney for all financial matters for his mother.

Mr L sent a further email to NatWest on 23 June emphasising the urgency of the matter but as NatWest failed to respond he brought a complaint to this service on his mother's behalf on 27 June.

Nationwide issued its final response letter by email dated 2 August. NatWest explained that it was unable to close the account as it did not currently hold Ms T's signature on its records and that to complete the closure it would need Ms T to get a notary to certify her instruction and provided further information on what was needed. NatWest agreed it could've handled things better, apologised and offered £100 compensation for any inconvenience caused.

Mr L responded to this on 11 August explaining that he was acting on his mother's behalf as she had been admitted to hospital and was no longer able to physically respond or sign a further instruction. Mr L complained that it had taken 5 months since the closure request was sent for NatWest to advise that it didn't hold Ms T's signature on file. Mr L failed to understand how NatWest can't verify his mother's identity when her instructions had been accepted for 28 years and felt the request to have her sign a further instruction witnessed by a Notary unreasonable.

NatWest responded explaining it requires a notary to witness Ms T's signature for security purposes to protect her and the bank. NatWest says it can look to refund any fees for this if provided with evidence.

Sadly, Ms T died shortly after this and before her signature could be authenticated by a Notary and the account closed. This meant that NatWest was now unable to close Ms T's account and release the funds without resealing the grant of probate for Ms T's estate.

Following bringing the complaint to this service NatWest have said that the reason it required a notary to certify Ms T's signature was because it didn't hold her signature on record and couldn't act on the authority Ms T granted without it. Though NatWest accepts at some point it must have had Ms T's signature.

One of our investigators looked into Mr L's concerns and reached the conclusion that as NatWest had been unable to show evidence of its internal policy requiring a customer's signature to be certified by a notary they couldn't say NatWest had treated Ms T the same as other customers in similar circumstances and thought that NatWest should pay Ms T's estate £100 compensation for the inconvenience caused.

They didn't think it was unreasonable for NatWest to ask for further information before it closed Ms T's account as it has a responsibility to protect customers accounts and it was unable to verify the late Ms T's signature.

Mr L disagreed, he says NatWest failed to tell him the reason for not releasing the funds was because it didn't hold Ms T's signature and that it is NatWest's fault it lost her signature. Mr L says by the time NatWest told him it didn't hold his mother's signature it was too late to do anything about it.

Mr L says £100 compensation doesn't cover the costs of resealing the grant of probate and wants to be compensated for this, loss of interest and for NatWest to be sanctioned for its conduct which he judges to be deceitful and misleading.

Mr L has asked for an ombudsman's decision.

I issued my provisional decision in October 2023. In my provisional decision, I explained why I was proposing to uphold this complaint. I invited both parties to let me have any further submissions before I reached a final decision and both parties have confirmed and accepted my recommendations.

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.

In my provisional decision I said that:

"I hope that Mr L won't take it as a discourtesy that I've condensed this complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of the complaint is that because NatWest no longer held Ms T's signature and failed to explain this at the outset, Ms T was unable to remedy this and close her account before she died. This resulted in further delays and costs incurred because a resealed grant of probate was now required to close the account.

And having considered everything, I'm currently minded to uphold this complaint, as I think NatWest has failed to provide a reasonable and timely service and as a direct result of this Ms T's estate has incurred unnecessary costs.

The instruction to close Ms T's account was sent on 18 April. Within this Mr L asked NatWest to respond by email to him. Unfortunately, for reasons that are unclear and through no fault of Ms T, NatWest no longer held or had access to her signature, so it wasn't able to authenticate that the instruction came from her and proceed with the closure of the account.

NatWest responded to Ms T by post regarding the instruction to close her account within what I consider a reasonable time on 5 May. And I don't think it was unreasonable that NatWest felt it couldn't follow its procedure to close the account or that it responded directly to Ms T, rather than just email Mr L. I say this as without her signature it was unable to verify the instruction came from her and I would expect it to take reasonable measures to safeguard its customers money.

But I don't think NatWest's letter was clear or helpful in explaining what it needed from Ms T to act on her instructions. As Like Mr L, I've no idea what NatWest meant when it asked for "a new closure authority signed in accordance with your current mandate". Or what NatWest required to progress the account closure. And although I'm mindful of the fact NatWest wouldn't have been aware of Ms T personal circumstances at that time, I think taking into consideration Ms T's age and the fact that she'd authorised her son to act on her behalf should've put NatWest on notice that perhaps there was some urgency and that it would be prudent to keep Mr L informed as he'd requested.

So Mr L did what I think a reasonable person would do in these circumstances and called NatWest for clarification – twice on 24 and 26 May. But the response he got was as helpful as NatWest's letter and Mr L got nowhere and received no response. So it being a matter of urgency he raised a complaint on 7 June within which he emphasised the urgency and asks NatWest what is needed and follows this up with a further email on 23 June.

Yet Mr L nor Ms T received any further information or clarity on what was needed until NatWest issued its final response to the complaint on 2 August, over a month after he'd called NatWest and over three months from when Ms T gave her closure instructions, by which point Ms T was no longer capable of signing documents and shortly after which she sadly died.

This lack of response or clarity I think is a failing on NatWest's behalf. And I think it needs to put things right. Usually, if I find a business has done something wrong or treated a customer

unfairly, I'd ask it to put the customer the position they'd be in if the mistake hadn't happened and I may award compensation that I think is fair and reasonable.

Unfortunately, in this case since Mr L raised the complaint Ms T has sadly died so it is not possible to put her in the place she would be if the mistakes hadn't happened and have her account closed without receiving the necessary legal documentation needed to close an account on the death of an account holder. In this case the foreign grant of probate needs to be re-sealed. I understand that has now been obtained, so Mr L has the requisite authority to deal with his mother's account and NatWest should now be able to close the account.

So what I need to decide whether the outcome would've been any different if NatWest had been clearer in its response to the closure instruction and told Ms T exactly what it needed to verify her signature and if I think it would, what would be a fair and reasonable way of compensating Ms T's estate for NatWest's mistakes.

And I think the likely outcome would've been different. I think had Ms T been told by NatWest in its 5 May letter that she needed her signature to be authenticated by a Notary before it could act on her closure instruction there would've been time for this to be arranged. I say this because this was around three months before she died and I think it's likely she was still capable of signing documents as only a couple weeks before this I can see she was able to execute a power of attorney in favour of her son, as well as providing instructions for closing her account.

So I think that if NatWest had been clear about what it needed from Ms T to close her account at the outset, Ms T would've been able – albeit likely with some help from her son – to have her signature authenticated and her account closed prior to her death. And I think had this have happened this would have negated the need to have the grant of probate resealed in order to close the account. I say this as I can see from the late Ms T's assets attached to the grant of probate that the only account she held in the UK was the one she held with NatWest.

So on this basis I think NatWest should reimburse Ms T's estate the cost for re-sealing the grant of probate on Mr L providing evidence of this. NatWest has said it was willing to reimburse Ms T for the costs involved in having her signature verified by a notary, so I think it is only fair and reasonable to extend that offer and to reimburse her estate for the costs of resealing the grant.

And although I'm unable to award Ms T's estate any compensation for distress and suffering, I am mindful of the fact that NatWest's failure to respond and constant delays has caused some inconvenience. So on this basis I think NatWest should further compensate the estate £200 for the administrative inconvenience. I appreciate Mr L would like the estate to be compensated for loss of interest. But it's not possible to say how much, if any the estate has lost in interest due to the delays or how the account funds would've been spent or invested."

As both parties have accepted my provisional decision, I see no reason to depart from the conclusions set out above. It follows that I uphold this complaint.

My final decision

For the reasons I've explained I uphold the estate of Ms T's complaint and direct National Westminster Bank Plc to put things right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Ms T to accept or reject my decision before 13 December 2023.

Caroline Davies
Ombudsman