

## The complaint

The estate of the late Mrs B has complained that Lloyds Bank PLC delayed the arrangement of an executor account, causing financial loss to the estate.

The executors have brought this complaint on behalf of the estate, and Mr B has made the submissions on behalf of the estate, in his capacity as one of the executors.

## What happened

I have previously issued a provisional decision regarding this complaint. The following represents excerpts from my provisional decision, outlining the background to this complaint and my provisional findings, and forms part of this final decision:

*“Following the death of Mrs B, Mr B had an appointment at a Lloyds branch to set up a new bank account on 16 June, and convert the account into an executor account on 28 June. The account was to receive funds applicable to Mrs B’s estate, and Mr B was to be the sole acting executor. Lloyds explained that the two remaining executors would need to submit opt out forms, and until that time the account would be locked.*

*Mr B has explained that by 6 July, the other two executors had been into their local branches to opt out. On 14 July, proceeds from Mrs B’s estate were paid into the account. Mr B rang Lloyds’ bereavement team to check that the lock had been lifted, allowing him to start distributing the funds in line with the will. He says that he spent the next four weeks speaking to both the bereavement team and his local Lloyds branch, and visiting the branch, in his attempts to get the lock removed, with each saying the other was responsible.*

*Mr B complained to Lloyds about its actions in early August. Lloyds initially told Mr B that one of the other executors had not returned an opt out form. However, Mr B explained that this executor had already returned such a form to her local branch. Lloyds’ further investigation showed that this form had in fact been received by its branch on 2 July, but it had been lost.*

*On 18 August, Lloyds offered Mr B £300 for distress and inconvenience caused. The relevant executor visited her Lloyds branch again on 21 August and completed the opt out form.*

*On 23 August Mr B contacted Lloyds again to say that he still did not have access to the executor account. It was not clear to Lloyds why the block had not been removed, but it confirmed that Mr B was able to access the account from 29 August. Lloyds offered Mr B a further £250 to reflect distress and inconvenience caused.*

*Mr B brought a complaint from the estate to this service. Whilst acknowledging that Lloyds had offered £550 in compensation, he commented that its actions had delayed when he could distribute the funds to the beneficiaries from mid July until the end of August. No interest was paid by Lloyds under the account. Mr B asked that Lloyds be required to pay interest for the period that he was locked out of the account.*

*Our investigator did not uphold this complaint. She stated that when bringing a complaint on behalf of the estate, this service cannot consider any personal impact that a business' error may have had on the executors. Although she appreciated why the executors were unhappy with the way in which the administration of the Lloyds account set up for the estate had been handled by the bank, she did not consider Lloyds should be required to take any further action.*

*Mr B disagreed with the investigator's findings. He commented that the complaint had been brought by the estate, and he stated that in his view the estate should receive interest on the account funds to reflect the delay that occurred with the distribution of these funds to the beneficiaries. Mr B said that this delay was a result of failings by Lloyds.*

### **What I've provisionally 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.*

*The parties have explained in detail the events that occurred after Mr B approached Lloyds in June to set up an account for the estate. Lloyds explained to Mr B that if he was to be the sole acting executor, he would need to arrange with the other two executors to provide opt out forms. The account was to be locked until those forms had been completed.*

*From the evidence provided, it is clear that by 6 July, the other two executors had given their local Lloyds branches their opt out forms. However, when Mr B asked Lloyds if the lock on the account had been lifted, he was told that it had not. Lloyds initially told Mr B that this was because one of the executors had not returned their opt out form, but at a later date it accepted that this form had been received at a Lloyds branch on 2 July. It would appear that this form had been lost within Lloyds.*

*This resulted in the executor concerned having to go into a Lloyds branch again to provide the necessary form. A further delay to Mr B having access to the account occurred in late August, and it was not clear to Lloyds why this was the case. However, it arranged for the block on the account to be removed.*

*Lloyds accepted that it had made errors in the administration of the account, and in total it paid £550 to reflect distress and inconvenience caused. As our investigator explained, when bringing a complaint on behalf of an estate, this service would not compensate the executors for any personal difficulties or upset they've been caused by a business' errors, because the eligible complainant in the case is the deceased consumer/estate. I will therefore not be making a finding on the £550 compensation that has been paid by Lloyds in respect of difficulties its actions caused the executors.*

*However, I have also considered the extent to which the estate itself has been caused a financial loss as a result of the delays which were caused by Lloyds' administration errors. By 2 July, Lloyds had received the necessary forms to allow the account to be unblocked so that Mr B could operate it as the sole acting executor. On 14 July, proceeds from the estate were paid into the account. Had Lloyds not lost one of the executor's opt out forms, and then in late August delayed unlocking the account so that Mr B could access it, my view is that Mr B would have had access to the estate proceeds in the account from 14 July.*

*By delaying Mr B's access to the account as sole acting executor, I consider Lloyds has deprived the estate of its funds from 14 July until 29 August, when Mr B got access to the account. In the circumstances, my current view is that Lloyds should be required to pay interest on the balance in the account at this service's usual rate of 8% simple per annum for that period, to reflect the fact that the estate did not have use of that money when it should*

*have had, but for Lloyds' errors."*

### **Responses to my provisional decision**

Mr B confirmed that he was pleased the complaint had been upheld.

Lloyds confirmed that it was willing to pay the redress outlined in my provisional decision.

### **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, and taking into account the replies to my provisional decision, I do not consider that I have reason to alter the conclusions reached in that provisional decision.

### **My final decision**

My final decision is that I uphold this complaint, and require Lloyds Bank PLC to pay simple interest at 8% per annum (\*) to the estate of the late Mrs B on the balance in the executor account, covering the period 14 July 2023 to 29 August 2023.

\* If Lloyds Bank PLC considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell the estate of the late Mrs B how much it's taken off. It should also give the estate of the late Mrs B a tax deduction certificate if asked for one, so it can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs B to accept or reject my decision before 6 May 2024.

John Swain  
**Ombudsman**