

The complaint

The estate of Mr R has complained that National Westminster Bank Plc gave them incorrect information about a bank account.

What happened

The late Mr R died in January 2020. Solicitors (whom I'll call "E") wound up his estate. The gross value of the estate in January 2021 was £22,000. As Mr R had been unable to manage his affairs before his death, funds were held by his local authority on his behalf. Those funds were paid by the local authority to the estate in February 2021.

In March 2021 E asked NatWest for bank account statements in connection with an investigation into benefits paid to the deceased. NatWest referred E to its bereavement team and requested them to provide identification for the administrator of the estate.

On 28 June 2022 NatWest told E there was an account open with it in Mr R's name. It asked E to complete an account closure form and again asked for verification of the administrator's identity. There was further correspondence in October 2022, January 2023 and April 2023 but the letters didn't mention the amount in the account.

In May 2023 NatWest told E that there was just over £57,000 in that account. Between May and July E provided new identification for the administrator in order to gain access to the account. In July 2023, after E had tried to close the account, NatWest said it wasn't Mr R's account after all but an account in the name of the local authority to which his estate had no entitlement.

E complained to NatWest. It apologised for giving incorrect information and offered £400 compensation.

E referred a complaint to this service. It said the administrator and beneficiaries of the estate had suffered distress on learning that the funds in the account didn't belong to the estate. They also said the estate had incurred costs of about £3,500 as a result of NatWest's mistake.

I issued a provisional decision explaining why I was minded to uphold the complaint. An extract from my provisional findings is set out below:

"Mr R's estate had largely been finalised when NatWest advised that there was another account in his name. I understand that Mr R had been estranged from his family who had no knowledge of his finances. So, they had no reason other than to take the information from NatWest at face value. As they expected to receive a further £57,000, I think it was reasonable for them to continue to instruct E to act on behalf of the estate in collecting the funds from NatWest."

There is no doubt in my mind that NatWest's mistake in wrongly advising that it held an account for the late Mr R resulted in the estate incurring unnecessary costs. Where I decide that a business has made a mistake, I look to put the consumer back in the position they

would have been in had the mistake not happened. E says that the estate has incurred costs of £3,500 as a result of NatWest's error. I understand that these costs haven't yet been paid.

To put things right I think NatWest should pay the estate's legal costs from 28 June 2022 (being the date NatWest told E it still had an account for Mr R) to the end of July 2023, when NatWest had given its final response to E's complaint on behalf of the estate. That's because we are an informal dispute resolution service. As such, there is no requirement for consumers to have legal representation. So, I don't think it would be fair to require NatWest to pay the estate's legal costs in bringing a complaint to this service.

I accept it would be very disappointing for the administrator and beneficiaries to be told there was further money due to them and then to find that was a mistake. But the complainant here is Mr R's estate. It's generally accepted that an estate isn't able to experience the trouble and upset that an ordinary consumer can. So, unfortunately for them, I won't award compensation for what they have suffered."

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.

NatWest agreed with my provisional findings. We didn't receive a response from E.

As neither party objected to my provisional findings, I see no reason to change them and they now form part of this final decision.

My final decision

For the reasons given above, I uphold this complaint and require National Westminster Bank Plc to pay the estate's legal costs from 28 June 2022 to 31 July 2023 (subject to satisfactory evidence) relating to the bank account the late Mr R was thought to have held with the bank.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr R to accept or reject my decision before 24 July 2024.

Elizabeth Grant
Ombudsman