

The complaint

The estate of Mr E has complained National Westminster Bank plc paid funeral expenses despite their instruction otherwise and didn't refund an unauthorised payment of £600.

What happened

Mr E died on 13 January 2023. His daughter and son, Ms E and Mr E, hold letters of administration for their father's estate as he died without completing a will. Ms E represents the estate in this complaint. For ease I shall refer to her throughout.

Ms E notified NatWest of her father's death in January 2023. She was alerted to her father's partner having claimed to be the next of kin and she'd attempted to have funds from the account transferred to the account she'd held with Mr E. NatWest noted the correct next of kin as Ms E and her brother.

She instructed NatWest not to pay any funeral costs from her father's account. She also noted many payments made after her father had died and wanted these repaid. NatWest went on to pay out on an invoice for funeral costs totalling £4,133.50 in February 2023.

NatWest repaid over £1,300 in unauthorised payments in October 2023. They, however, wouldn't refund £600 for a standing order which left Mr E's account after he'd died as they claimed this was before they'd been notified of his death (by his ex-partner).

Ms E brought a complaint to the ombudsman service on the estate's behalf complaining that £600 had been paid when it shouldn't have been and that they'd explicitly asked NatWest not to pay funeral costs out of their father's account. The estate wanted the full amount refunded.

Our investigator asked NatWest to repay £600 which had been unauthorised. However, she believed NatWest had followed their policy in paying funeral costs.

Ms E wouldn't accept this outcome and asked an ombudsman to consider the estate's complaint.

I completed a provisional decision on 30 July 2024. I believed NatWest had made an error in paying the funeral expenses despite the estate's instruction. However, I didn't believe it was right that the full amount should be refunded by NatWest. I asked them to pay £500.

NatWest accepted this outcome but asked to be informed of the account details this should be paid to.

Ms E raised some queries as she didn't feel the estate should have to pay the invoice for the funeral costs as the invoice was directed to her father's ex-partner.

I now have all I need to complete the final 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, I've reached the same outcome as I did in my provisional decision. I'll explain why.

I'd like to give Ms E and Mr E my condolences following the death of their father. Both of them live abroad so I can understand how difficult this must all have been.

I'll firstly deal with the £600 standing order that was paid out after Mr E had died. I'm surprised it didn't occur to NatWest to refund this immediately as they would have known – regardless of when they were notified of Mr E's death – that this payment was unauthorised. It also seems they were suggesting the estate make a new complaint as this was an issue for the fraud team, rather than the bereavement team to manage. I'm sure they didn't mean this to come over as bureaucratic as it sounded.

I'm satisfied £600 must be refunded and relieved to note that NatWest has agreed to do so following our investigator's view. I should just add that they will also need to add 8% simple interest to £600 from the date it debited Mr E's account until the date of settlement.

It seems clear that a major part of Ms E and Mr E's distress is the fact they were excluded from arranging their father's funeral and having access to his home following his death. This must have made a difficult time truly horrendous.

And this explains why they explicitly asked NatWest not to pay any invoice submitted for the funeral costs. There's no dispute they instructed NatWest as NatWest has admitted they made an error in paying the invoice submitted to them.

I know NatWest followed their own policy – the details of which have been shared with Ms E. However, they offered no compensation to the estate for what was an egregious error. I'm sure this was just an extremely unfortunate mistake – and having reviewed the invoice I'm satisfied this reflected realistic costs for a funeral and payment was made directly to the funeral directors.

Ms E has raised the fact that if the invoice remained unpaid by the estate, then she felt her father's ex-partner would be liable for the amount. I don't know for sure where legal liability would fall in this case. However, I completely appreciate why, when faced with a request to pay the invoice direct to the funeral directors, NatWest decided to follow their policy and ensure this was paid.

I know Ms E's strength of feeling about not getting to choose the funeral she and her brother wished but the funeral director may always have had a claim against the estate if the invoice hadn't been paid so I don't think it would be right to ask NatWest to refund the amount, despite their mistake.

I also don't believe it's particularly the financial aspect of this that is the most upsetting for Ms E. Our rules don't allow us to compensate bereaved families for the upset and distress they've gone through, however I can consider whether compensation should be given to the estate for the inconvenience caused. I'm satisfied that there has been inconvenience here and because of the serious nature of this I will be asking NatWest to pay the estate £500. I appreciate this will in no way compensate Ms E and Mr E for what they are going through.

My final decision

For the reasons given, my final decision is to instruct National Westminster Bank plc to:

- Refund £600 to the estate of Mr E for the unauthorised payment, including 8% simple interest from the date this debited Mr E's account until the date of settlement; and
- Pay £500 to the estate of Mr E for the trouble caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr E to accept or reject my decision before 19 September 2024.

Sandra Quinn
Ombudsman