

## **The complaint**

Mr W is unhappy that Nationwide Building Society won't release money to him that is held in trust for him by his parents.

## **What happened**

Mr W's parents opened two savings accounts for Mr W when he was child, wherein Mr W's parents would hold the money in trust for Mr W until he became an adult. Both of these accounts were set up on a joint-mandate basis, whereby the consent of both parents would be required for any action on the account to be undertaken.

Sadly, Mr W's parents' relationship deteriorated to the point where they separated. Mr W's father then raised a claim with Nationwide in which he said that he was entitled to half of the money in the savings accounts. And because the savings accounts remained on a joint-mandate basis, Mr W's father was able to refuse to allow the money in the accounts to be signed over to Mr W, even after Mr W came of age.

Mr W raised a complaint with Nationwide because they wouldn't release to him the money held in trust for him. But Nationwide reiterated that the terms of the accounts meant that the permission of Mr W's father was required for such a transference to take place.

Nationwide also explained that they considered the dispute between Mr W's parents that had resulted in Mr W's father refusing to allow the transference of the money to Mr W to be a civil one, which would either need to be resolved amicably or in a Court of Law. Mr W wasn't satisfied with Nationwide's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. They felt that Nationwide should release the money held in trust for Mr W to Mr W. But Nationwide didn't agree with the view of our investigator, and so the matter was escalated to an ombudsman for a 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.

I issued a provisional decision on this complaint on 13 September 2024 as follows:

*I'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focused on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.*

*I also note that the money in the two savings accounts was transferred into a different savings account by Mr W's mother – without the consent of Mr W's father. And that new*

*savings account is held solely in the name of Mr W's mother, who was listed as the sole trustee on the account, with Mr W named as the beneficiary.*

*Nationwide have confirmed that they should never have allowed Mr W's mother to transfer the money from the original two savings accounts without obtaining the consent of Mr W's father to do so – given that the two original savings accounts were set up on a joint-mandate basis, as previously explained.*

*Because of this, I'm satisfied that it is fair for Nationwide to consider that the terms and conditions of the original two accounts should apply here, including that consent from both of Mr W's parents is required for any action or movement of money, regardless of the actual account that the money is presently held in.*

*Importantly, the terms of those original two accounts include the following clause:*

*"Once you, or where the account is held on behalf of a child, that child, reaches the age of 18 years and six months, your money will be transferred into an instant access savings account and the terms and conditions and the interest rate applicable to that account, at that time, will apply.*

*Where the account is held on behalf of a child prior to the transfer, this will continue following the transfer to the new account until the adult transfers the new account into the child's sole name."*

*What the second part of the above quoted term means is that there is no automatic transferal of account ownership from Mr W's parents to Mr W. Rather, because the accounts were held in the joint names of Mr W's parents, the money will remain in Mr W's parents' names, regardless of Mr W's age, until Mr W's parents transfer the ownership of the accounts to Mr W.*

*Furthermore, because the accounts were set up on a joint-mandate basis, the transferral of ownership from Mr W's parents to Mr W can only happen with the consent of both of Mr W's parents, including Mr W's father.*

*Ultimately, because of how the original savings accounts were set up (on a joint-mandate basis) and because I'm satisfied that it's the terms of those original accounts that should be considered relevant here (because the transferal of money from those original accounts should never have taken place), I don't feel that Nationwide are acting unfairly by refusing to release the money to Mr W without the consent of Mr W's father.*

*It therefore follows that my provisional decision here is that I do not uphold this complaint. I can appreciate that this will be frustrating for Mr W. But sadly, I feel that what's happened here is an unfortunate consequence of Mr W's parents' civil dispute.*

*I hope that Mr W can obtain either the consent from his father for the money to be transferred to him, or alternatively a court order to compel Nationwide to do so. But as things stand presently, I'm unable to conclude that Nationwide are acting unfairly here, for the reasons outlined above.*

*\*\*\**

*Nationwide responded to my provisional decision and confirmed that they were in agreement with it. Conversely, Mr W did not provide any response to the provisional decision.*

As such, I see no reason not to issue a final decision here whereby I do not uphold this complaint for the reasons explained above. And I therefore confirm that my final decision is that I do not uphold this complaint accordingly.

I realise this won't be the outcome that Mr W had wanted, but I hope that he understands, given what I've explained, why I've made the final decision that I have.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 28 October 2024.

Paul Cooper  
**Ombudsman**