DRN-5119125

The complaint

The estate complains that National Savings and Investments (NS&I) didn't adequately explain wording on its website after it requested the estate provide a Grant of Probate in order to be paid the value of the bonds.

What happened

The late Mrs A held premium bonds with NS&I which were owed to her estate on her passing.

Mr L, acting on behalf of Mrs A's estate, has explained that he was the sole executor and beneficiary of the estate, and that the estate's value was below the inheritance tax threshold. He used this information about the inheritance tax threshold, along with wording on the government website relating to Probate to conclude a Grant of Probate shouldn't be needed by NS&I to pay the value of the bonds to the estate.

Believing a Grant of Probate would not be needed, the estate proceeded to attempt to gain access to Mrs A's premium bond account. But NS&I replied to say a Grant of Probate *would* be required.

The estate argued the late Mrs A had met the requirements as stated on the government website for Probate to not be required. It pointed out that all assets except the premium bonds had been held jointly with Mr L. And as survivorship would apply to the joint assets, all that remained were the bonds. The estate pointed to NS&I's website which, in relation to a Grant of Probate, said:

> *'We may ask for this if the customer's total NS&I savings are £5,000 or over.'*

The estate said the wording implied a Grant of Probate wasn't mandatory and asked NS&I to explain why it had requested Probate without an explanation. It believed its request should be treated as an exception as Probate would be required only for the purpose of accessing the premium bond account.

NS&I explained it considered the value of the bonds – around £38,000 – sufficiently high to require Probate. It said its decision was industry standard and was intended to guard against subsequent third-party claims. It added that it invariably asks for Probate at a much lower value than other organisations as any cost for having to pay out against a second claim would be borne by the taxpayer.

In the estate's complaint to our service, it said the cost of obtaining a Grant of Probate (£273), plus several thousands of pounds it thought it would incur in charges from an adviser, would be disproportionate to the recovery of the £38,000 held in the account. It said it didn't think there was a risk of any payment later being contested due to Mrs A's circumstances, and family set-up, when she passed away. It voiced unhappiness about the lack of explanation from NS&I, and noted it hadn't responded to all of its correspondence.

To resolve the complaint the estate said it would be happy to issue an indemnity for the

amount should NS&I be willing to apply an exception for its requirement of a Grant of Probate before access to the account was given.

Our Investigator didn't uphold the complaint. He highlighted NS&I's terms:

> *'If someone needs to claim the savings of someone who has passed away, you can do this online, without needing to create an online account. Please make sure you have their details to hand, and you are legally entitled to claim their savings.*
>
> *We will let you know if we need a Grant of Representation (also known as a Grant of Probate or Grant of Letters of Administration) once we receive your completed form. We may ask for this if the customer's total NS&I savings are £5,000 or over. The Director of Savings also reserves the right to request a Grant of Representation for savings of any value.'*

He explained that NS&I had advised it couldn't waive its requirement for Probate due to the amount involved. It had detailed its value limits requiring a Grant of Probate and the Investigator noted the account's value exceeded these limits. As such, he didn't think NS&I had done anything wrong in asking the estate to provide a Grant of Probate.

The Investigator also didn't think NS&I had acted unfairly in its explanation or reasoning around requiring Probate. He was satisfied that NS&I had clearly explained why the Grant of Probate had been requested.

The Investigator added that whilst he believed NS&I could have provided better service, particularly where it hadn't always responded to the estate's correspondence, he couldn't award any compensation to Mr L for any impact to him personally. Any compensation awards would be to the estate. And as the estate hadn't suffered any loss, he wouldn't be recommending any compensation for this complaint.

The estate didn't accept the Investigator's findings. It said NS&I failed to respond to its request for clarification of its regulations, namely, about the use of the word 'may' in the section about encashing an investment with a value in excess of £5,000.

The estate also noted the Investigator's comments about there being no financial loss. It said that had encashment been possible sooner, the funds could have been reinvested. It added its belief that NS&I's actions had caused the executor frustration, time wasted and unjustified inconvenience.

As no agreement could be reached, the case has been passed to me to decide.

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'm not upholding this complaint. I know this will be disappointing for the estate, so I've explained why below.

The estate has explained that its concerns mainly centre around NS&I's explanation, or lack of explanation, regarding the use of the word *'may'* in its statement that it *'may'* ask for Probate if its customer held savings of over £5,000. Had NS&I not asked for Grant of Probate, this issue would likely not have arisen, and so I'm of the opinion that its request for Probate is linked to any concerns the estate has around NS&I's explanation of its exemption process. As such, it has been necessary to touch on both issues in my findings.

At around £38,000, the value of the account was well in excess of the £5,000 limit for which NS&I stated it may request Probate, and so I don't think it was unreasonable for it to have done so. Therefore, I'm satisfied that NS&I acted in line with its own policy to request Probate and I find that it was entitled to do this.

I also note NS&I's statement to the estate, following its query around the use of the word 'may'. It said:

> *'I should explain, financial institutions (and other organisations) will usually ask for a Grant of Probate if the value of holdings exceeds a certain amount.'*

That is what NS&I has done in this case. It seems to me that, in the above, NS&I is explaining to the estate that its use of the word *'may'* allows discretion based on the account's value. And that, as this account was worth far greater than the £5,000 limit, NS&I chose to ask for a Grant of Probate.

I appreciate this isn't the level of detail the estate would like to have received in NS&I's explanation, and whilst I appreciate the estate's concerns about NS&I not replying to all correspondence, I deem the above explanation sufficient for the purpose of understanding why Probate was required. I wouldn't generally expect a business to make its internal limits public or to explain its internal processes beyond what it did in the letter referenced above.

As mentioned, the estate has said that, had encashment been possible sooner, the funds could have been reinvested. But it has separately implied that its intention was to leave the funds in the account for the full 12-month period NS&I allowed. As such, I don't consider there being any loss here. Ultimately, the estate chose to pursue NS&I for further explanation on this point when adequate information and instruction had been given, and so, I don't hold NS&I responsible for any delay in the account being made accessible or for any inconvenience experienced by the estate.

I also can't consider any impact caused to Mr L directly as he isn't the complainant in this case, and any complaint brought regarding these matters in his own right would likely fall outside our service's jurisdiction, as only the estate is authorised to bring this complaint.

As such, whilst I know this will be disappointing for the estate, I'm unable to agree with its concerns or direct NS&I to do anything in relation to this case.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs A to accept or reject my decision before 2 January 2025.

James Akehurst
Ombudsman