

The complaint

Mr S complains Santander UK plc (Santander) won't allow him to withdraw the balance of his trust account.

What happened

Mr S says his trust fund account matured when he became an adult, but Santander have refused to allow him to withdraw the balance without his mother's authorisation and identification. Mr S says he has complained about this at the branch, but Santander do not understand the law relating to trusts and he wants it to release the funds plus interest at the rate of inflation.

Santander says the bank account was opened in 2003 as a children's savings account and never a Child Trust Fund account. Santander says the account was dormant for some years and it wrote to Mr S's mother in May 2022, but this wasn't responded to, so the account became an unclaimed instant saver account. Santander says it has informed Mr S what identification is required before the funds on the bank account can be released.

Mr S wasn't happy with Santander's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator pointed out when the account was opened it was a children's account and not a Child Trust Fund account (CTF) as Mr S was born before the government introduced the CTF in 2002. The investigator says Santander wrote to Mr S's mother as trustee in May 2022, but no response was received, and the account was made dormant.

The investigator says Santander have made Mr S aware of what identification is required to withdraw the funds and that would include his mother providing her identification in line with its process and policies.

While the investigator understood Mr S and his mother are estranged and that was unfortunate, she couldn't tell Santander it must release the funds on the bank account.

Mr S didn't agree with the investigator's view and asked for the matter to be referred 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it would be frustrating for Mr S not to be able to access funds from a bank account intended for his ultimate benefit. When looking at this complaint I will consider if Santander have acted unreasonably when it asked for Mr S's mother's identification and authority before it released the funds held on the bank account.

Mr S's complaint centres around the fact Santander have made a mistake in not allowing him to withdraw funds from an account opened in 2003 as a CTF and it doesn't understand the law surrounding "bare" trusts.

I understand the points Mr S makes here but I'm not fully persuaded by his argument. Despite Mr S's understanding of trust laws here, I can only consider if Santander have acted in line with its process and procedures for the type of bank account opened. As explained by the investigator, despite Mr S's understanding, the account opened in 2003 was a child's savings account with his mother as trustee and not a CTF as he thought.

From the information I have seen Santander wrote to Mr S's mother as trustee in May 2022 explaining what actions were needed to stop the account being made dormant, but this wasn't responded to. So, the account was designated as a dormant unclaimed instant saver account in September 2022.

So here, under Santander's dormant account process and policies, before funds can be released it would require identification and authorisation of the original trustee and beneficiary before the funds can be released, which I am satisfied is reasonable here and it's not for me to tell Santander what process it must adopt in those circumstances. It's unfortunate that Mr S is estranged from his mother and although I do have some sympathy with his situation, I can't tell Santander it must adapt or change its policies to meet Mr S's personal circumstances here.

While Mr S will be disappointed with my decision, I won't be asking anymore of Santander here.

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 S to accept or reject my decision before 27 January 2025.

Barry White
Ombudsman