

## **The complaint**

The estate of Mrs H ("the estate") is unhappy that Barclays kept a large sum of money owned by the estate in a non-interest-bearing account.

This complaint is brought to this service by the sons of Mrs H, in their roles as the executors of their late mother's estate.

## **What happened**

Sadly, in December 2023, Mrs H died. Before she passed away, Mrs H resided in a care home and one of her sons held a Power of Attorney so that he could manage her financial affairs. To fund Mrs H's ongoing care, her family sold her home and placed the sale proceeds into a non-interest-bearing Barclays account owned by Mrs H.

Mrs H's sons had wanted to transfer the property sale proceeds to an interest-bearing account. However, when Mrs H died the Power of Attorney held by her son was no longer valid. This meant that Mrs H's sons couldn't move the sale proceeds to an interest-bearing account as they wanted under that Power of Attorney. Instead, Mrs H's financial assets became the property of the estate of Mrs H, and Barclays required formal confirmation of the estate executors before they could allow the money owned by the estate to be moved.

In April 2024, the solicitors acting on behalf of the estate sent the relevant documents to Barclays to confirm that Mrs H's sons were the executors of the estate. Unfortunately, Barclays didn't receive the correspondence from the solicitors, who resent it to Barclays in late May 2024. Barclays received and accepted the correspondence on 29 May 2024, and the account closure request included in the correspondence was completed on 3 June 2024.

The estate of Mrs H wasn't happy that balance of Mrs H's account, including the property sale proceeds, had remained in a non-interest-bearing account for approximately six months. And the estate also noted that Barclays would have earned interest on the account itself via the inter-bank exchange rate. Because of this, the estate raised a complaint with Barclays and asked for the interest that Barclays had earned on the money owned by the estate be passed on to the estate.

Barclays responded to the estate and explained that it had been unable to take any action regarding the account balance in question until the executors of the estate had been formally confirmed to it, which hadn't happened until 29 May 2024. Because of this, Barclays didn't feel it had done anything wrong in how it had administered the estate's assets and didn't uphold this complaint. The estate wasn't satisfied with Barclays response, so it referred its complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Barclays had acted unfairly as the estate believed was the case. The estate didn't agree with our investigator, 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.

Having done so, 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 focussed 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 note that in its correspondence with this service, the estate has made several references to Barclays earning interest on the non-interest-bearing account balance during the six months that balance remained with Barclays.

However, whether Barclays did or did not earn interest on the account balance during this time isn't something that falls within the scope of what I can consider here. This is because the remit of this service is limited to investigating the impact of events on the eligible complainant, which in this instance is the estate.

Whether Barclays earned interest on the account balance during the six months in question had no impact on the estate, because the estate would only be entitled to receive interest on its money in accordance with the terms of the account in which that money was held. And in this instance the relevant term of the account was that it was a non-interest-bearing account.

Before Mrs H died, her son held a Power of Attorney giving him control over her financial affairs. As such, while Mrs H was alive, her son was able to arrange for the proceeds of the property sale to be deposited into an interest-bearing account, rather than a non-interest-bearing account, or to move the money from the non-interest-bearing account to an interest-bearing account.

Unfortunately, Mrs H's son didn't do either of these things. And when Mrs H died, his authority to act on Mrs H's behalf as her appointed attorney ended. This is because a Power of Attorney is automatically invalidated upon the death of the principle (in this case, Mrs H), at which time the authority to act in regard to the late Mrs H's financial assets passed to the executors of the estate.

It's for this reason that Barclays refused to act on Mrs H's son's request to move the estate's money to an interest-bearing account after Mrs H had died. Because at that time, Mrs H's son had no authority to issue such an instruction to Barclays, because he was no longer an attorney, and because he hadn't yet been formally confirmed as an executor.

Barclays refusal of Mrs H's son's request under those circumstances seems reasonable to me. Indeed, I would almost certainly consider Barclays to have acted improperly had it done anything other than decline Mrs H's son's request at that time.

Following the death of Mrs H, Barclays rightly required formal confirmation of the estate executors before it would accept any instructions on the estate's financial assets. But this wasn't provided to Barclays until 29 May 2024.

Because Barclays didn't receive formal confirmation of the estate executors for roughly six months, this meant that Barclays had no choice but to leave the estate's money in the non-interest-bearing account in which it resided at the time that Mrs H passed away. This is because Barclays can't act or decide on an account holder's behalf. And because the

account was owned by the estate, Barclays required formal confirmation of the estate.

Once Barclays did receive the required documents from the estate's solicitors on 29 May 2024, it moved quickly to action the account closure request included with those documents and did so on 3 June 2024. This was well within the ten working day timescale that Barclays ascribe to such requests, and so doesn't seem unfair to me.

All of which isn't to say that I don't understand and appreciate that the estate would want the sizeable account balance to have earned interest during the time it was held for the estate by Barclays. But it is to say that I don't feel that Barclays are at fault for the fact that the money remained in a non-interest-bearing account during that period.

To reiterate, this is because Mrs H's son had the authority to place the money in an interest-bearing account while Mrs H was alive and while his Power of Attorney was valid. And because it was then incumbent on the estate to formally confirm the estate executors to Barclays after Mrs H passed away.

Ultimately, during the time following the death of Mrs H in December 2023 until Barclays received the formal confirmation of the estate executors in late May 2024, Barclays were simply unable to take any action regarding the money it held for the estate. This is unfortunate for the estate, but I'm satisfied that it doesn't constitute an unfair act by Barclays.

All of which means that I won't be upholding this complaint or instructing Barclays to take any further or alternative action here. I realise this won't be the outcome the estate was wanting, but I hope Mrs H's sons will understand, 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 the estate of Mrs H to accept or reject my decision before 11 February 2025.

Paul Cooper  
**Ombudsman**