

## **The complaint**

The estate of Mr M complains Santander UK Plc allowed an unauthorised third party to withdraw funds Santander held for Mr M held after his death. The estate further complains the beneficiary of the deceased estate was denied access to these funds for eight years because of Santander's actions.

## **What happened**

The estate explained Mr M sadly died in 2016 without leaving a will and had over £20,000 held with Santander. The estate explained Santander were notified of Mr M's death by a third party, it then closed his accounts and paid the balance to this third party without carrying out checks they were entitled to the funds.

The estate only realised what had happened in 2022 when it found bank statements and complained to Santander it should not have released the funds to the third party as they were not entitled to them. The estate explained it managed to recently get the funds owed back from Santander but said Santander had caused the estate significant distress and inconvenience for which it wanted compensating. The estate explained it also wanted to claim costs for a solicitor it employed to assist with the complaint.

Santander wrote to the estate in May 2024. It said it hadn't made a mistake, explaining it had followed its correct processes and closed the account and sent funds to a third party in 2016 as instructed. It explained as the balance was under £50,000, it didn't require a grant of probate (or letter of administration) and Santander acted following instruction from a third party it had reason to believe was acting under the instruction of the estate. Santander explained it had undertaken its recovery process once it had the letter of administration and paid the estate the funds owed, Santander also explained it would not cover any legal costs incurred by the estate.

I have seen a copy of the document submitted to make the withdrawal from the account. It appears Mrs M, the beneficiary of the estate, signed the document and a copy of her passport was provided for the withdrawal in 2016 along with details of the third party.

Our investigator didn't think Santander needed to take any further action. They explained Santander had followed its procedures by releasing the funds to who it understood was representing the estate. They also thought, once notified, Santander had asked for the correct information and processed the claim correctly after it received it.

Our investigator therefore thought the estate hadn't suffered any loss as it had now paid the estate the entire disputed funds. They also thought it wasn't fair to ask Santander to cover the cost of the solicitor as obtaining the information could have been completed without one. They accepted Santander's policies allowed executors of estates under £50,000 to withdraw funds without the need for probate.

The estate rejected our investigator's recommendation explaining it didn't agree it hadn't lost anything, explaining it maintained Santander should not have paid the funds to a third party and that the estate had to take significant steps to get the funds back over a protracted period.

As the estate has rejected our investigator's recommendation, its complaint has been passed to me to make 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.

Firstly, I would like to offer my sympathy. Having read through the file I can see it has been an extremely difficult time for Mrs M. I was pleased to see the estate has now managed to claim back the funds it was owed. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

I can see the estate has asked for compensation for the sole beneficiary, Mrs M, for the distress and inconvenience the deprivation of the funds caused her for the eight-year period.

I have examined the evidence to understand what happened. Information provided from Santander systems show the first enquiries regarding the closing balances of the account happened in summer 2023.

In October 2023 solicitors representing the estate wrote to Santander asking for information about the closure of Mr M's accounts and what checks Santander did prior to this closure of the accounts. Santander wrote back explaining it had closed the accounts under instruction from a third party it understood was acting on behalf of the estate, it explained the estate would need a grant of probate (or letter of administration) to look to recover the funds, stating it would be able to reimburse the estate once it had this.

The notes show the estates solicitors then called Santander in mid-April 2024 confirming they were sending the letter of administration in, Santander appear to have contacted the solicitors a few days later to enquire whether the funds could be recovered from the third party, which the estates solicitors confirmed they could not. The notes then show Santander went through a recovery process and paid the estate the owed funds a few days later.

The estate has provided a copy of the letter of administration, which is dated 11 April 2024, showing Mrs M as the administrator.

I am therefore satisfied Santander explained the process the estate needed to undertake once it became aware of the dispute and, once provided with the appropriate documentation to support the dispute, undertook its recovery process and paid the estate quickly. It appears the delay here was because the letter of administration was not provided as requested, I therefore agree with our investigator's recommendation that Santander did not do anything wrong.

The other matters for me to consider is whether there is any reason for me to find Santander acted outside of its procedure when it first issued the funds to the disputed third party.

Banks are able to set some of their own policies reading what they need to release funds of a deceased person. Santander's policy is it does not need a grant of probate or letter of administration if the value of the accounts is less than £50,000. This is a business decision it is entirely entitled to make. However, it still requires certain information regarding the release of the funds, such as a death certificates and identification, which are explaining in its bereavement policy. I have considered the form which was submitted and the policy alongside this.

I can see the details were filled in including account information and address and personal information. Mrs M apparently signed the form and there was a copy of her passport and the third parties' passport submitted with the form.

I have carefully considered this evidence and I do not think it was reasonable for Santander to have suspected any issues with this submission at the time. It processed the request which appeared to all intents and purposes to have been seen and authorised by Mrs M.

For these reasons I do not think it would be fair or reasonable to uphold this complaint against Santander. I am satisfied it followed its processes and once it became aware of the dispute provided the information the estate needed and refunded the estate quickly.

I also do not think it would be fair or reasonable to hold Santander responsible for the costs of a solicitor. The documents requested and interaction did not necessitate the employment of a solicitor, the probate process can be undertaken without legal representation and could have been done by a representative, if the estate could not do so itself. For these reasons, and that I am unable to find issue with Santander's approach, it would not be fair to award such compensation.

Finally, I would like to offer my sympathies to Mrs M. I understand this must have been a very difficult time, and I am pleased she has been successful in recovering the funds. My decision in no way should be seen as diminishing what must have been a very unsettling time for her.

### **My final decision**

For the reasons I have given, my final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr M to accept or reject my decision before 28 February 2025.

Gareth Jones  
**Ombudsman**