

## **The complaint**

The Estate of Mr F complains TSB Bank plc unfairly released funds to a third party from the late Mr F's account and closed it.

## **What happened**

The Estate of Mr F is represented by the late Mr F's son, who I will refer to as Mr P throughout the complaint.

The late Mr F passed away on 10 June 2024 and held a TSB account. On 18 June 2024 a relative of the late Mr F – who I will refer to as Ms R attended branch. During this visit Ms R informed TSB Mr F had passed away without a will. Ms R explained she was the niece of the late Mr F and provided a death certificate and funeral invoice. Ms R informed TSB she was the sole beneficiary of the estate, and she completed a bereavement form. By the end of the branch visit the late Mr F's account had been closed down, and the balance in the account was transferred to Ms R.

On 5 July 2024 Mr P completed a bereavement form. At this point TSB informed Mr P that the account had been closed and the funds paid to Ms R. Mr P raised a formal complaint about TSB's handling of the account on behalf of the Estate of Mr F. Mr P said that he had given Ms R permission to deal with some affairs as he had to return home, which was outside the UK. Mr P said this extended to settling the invoice for the funeral, but he did not give Ms R permission to take funds within the account and close it. Mr P said TSB had acted unfairly, and should compensate him as he is the sole beneficiary of the Estate of Mr F. Mr P explained he had tried to contact Ms R since she closed the account and received all the funds, but she has not responded to any of his attempts at contact.

TSB reviewed Mr P's concerns, and in its response dated 20 August 2024 it found that it had acted correctly, and no bank errors had been made. When Ms R attended branch, she had the relevant information required to close the late Mr F's account. Ms R completed the bereavement form stating she was the sole claimant for the estate and was authorised to administer the estate in her capacity as niece. The funds within the late Mr F's account were used to pay the funeral invoice, and the remaining funds were paid to Ms R. TSB found its branch staff had followed the process it has in place, and as the funds were released to the claimant – Ms R – who provided the necessary information and completed the relevant form. It advised that Mr P should seek legal advice and continue to pursue this matter with the police.

Mr P remained unhappy with TSB's response and referred the complaint to this service. In the referral to this service Mr P reiterated his concerns about TSB's decision to release funds to Ms R. Mr P had also obtained the Letters of Administration which confirmed him to be both an administrator for the Estate of Mr F and the sole beneficiary. Mr P explained that TSB had been unhelpful and unempathetic in its dealings with him, and only after much persistence was he able to obtain details of what happened to his father's account. In order to put things right Mr P asked TSB to reimburse the funds it transferred to Ms R, issue an apology, and reconsider its policy on handling accounts when a customer has passed away.

An Investigator reviewed the complaint. In summary, they made the following findings:

- TSB acted reasonably – it has provided its internal process for handling accounts when a customer has passed away without a will, and the correct process appears to have been followed.
- Ms R attended branch with the relevant documentation and completed the necessary form.
- The provision of information by Ms R meant TSB was able to release the funds to her and close the late Mr F's account. This was appropriate action for TSB to take.
- This is now a civil dispute between Mr P and Ms R.

Mr P didn't agree with the findings. He explained that he provided Ms R with a note to give to TSB and this was for the account to be blocked. He did not provide her with any other authority. Mr P said TSB made the decision to release funds to Ms R as per its internal policy, but that it should reimburse Mr P as he has shown he is the legitimate beneficiary for the funds.

As no agreement could be reached, the complaint was 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.

First of all, I wish to pass my condolences to the Estate of Mr F – Mr P in particular - as I appreciate what a difficult time he must have gone through. Mr P has made a number of points to this service and I've considered and read everything he has said and sent us. But, in line with this service's role as an informal body, I'll be focusing on the crux of their complaint in deciding what's fair and reasonable here.

Having done so, I've decided to not uphold this complaint. I know Mr P feels strongly about this complaint, and I don't undervalue how challenging and upsetting the circumstances he's found himself in are following the passing away of his father. I'll explain why.

Mr F passed away intestate – this is when an individual passes away without a will. In these circumstances the rules of intestacy apply. Businesses such as TSB will have their own processes and policies in place for managing accounts in these circumstances. TSB has provided this policy and its guidance for branches and colleagues dealing with such accounts. This details that accounts with under £25,000 in them can be dealt with in branch, with the necessary bereavement form completed.

Ms R attended branch with Mr F's death certificate and funeral invoice. Ms R then proceeded to complete the bereavement form. I've considered this form in detail. Within it Ms R confirms the late Mr F's details, and she notes herself as the only next of kin, and ticks a box that confirms she is the only person entitled to a share of the estate. Ms R then signed an indemnity section which reads: *'In return for TSB Bank plc agreeing to make the payments requested by me I agree to indemnify and keep indemnified TSB Bank plc against all demands, claim, liabilities, losses, charges and expenses which they may incur as a result of making the payments.'* TSB says the completion of this indemnity, alongside Ms R's provision of key documents such as the death certificate and funeral invoice meant it would have no basis upon which to doubt the details she provided and transfer her the account balance.

I've thought about TSB's comments alongside the policy and process it had in place, and I can't see that it has acted unfairly here. Given the level of details Ms R was able to provide, and the fact the funeral invoice was addressed to her, and she had registered the death, it appeared she was acting reasonably, and it had no reason not to follow her instructions. TSB wouldn't have been aware of the existence of Mr P and that – as we know now – he is the sole beneficiary of the late Mr F's estate.

Mr P has understandably raised concerns about the process TSB has in place for releasing funds from accounts when an account holder has passed away intestate. To put things right Mr P has asked for TSB to reconsider their policy and general way of dealing with bereavement situations. I understand Mr P's strength of feeling about these matters. It is the role of the Financial Ombudsman Service to resolve individual complaints and to award redress where appropriate. We do not perform the role of the industry regulator, and it is not our role to comment on how businesses conduct their operations – and this includes how they chose to deal with accounts in light of probate laws and guidance. That's the role of the Financial Conduct Authority (FCA). So I am unable to comment in detail on the robustness and effectiveness of TSB's policy and approach.

On a general level it seems to me based on the policy and process details I've seen, that TSB has taken a risk-based approach to the management of these types of accounts. Further the probate process when there is no will can be lengthy, and I consider TSB's process to be an attempt to assist and expedite access to accounts and funds for the next of kin.

However, I appreciate this doesn't diminish the specific impact TSB's policy has had on Mr P at what was already a very upsetting time. Mr P says TSB were unhelpful and unempathetic when he tried to obtain details. At the time Mr P was making enquiries the account was closed, and TSB could only provide a limited amount of information. Mr P didn't have the relevant authority to deal with the Estate of Mr F at that point, and it was only once Mr P had the Letters of Administration that he was able to be provided with full details of how events unfolded.

In order to put things right Mr P has asked TSB to pay the Estate of Mr F the amount in the account that it transferred to Ms R. For the reasons I have explained above, I don't consider this to be appropriate action for TSB to take. Based on the details I've seen this now appears to be a civil dispute between the Estate of Mr F and Ms R.

I sympathise with the position Mr P has found himself in, and I'm in no way saying he did anything wrong or that he doesn't have a legitimate grievance against Ms R. But for the reasons I've explained above, I don't think it would be fair to hold TSB responsible for the money Mr P says the Estate of Mr F has lost. I know Mr P will be disappointed with the decision I've reached, but I hope it provides some clarity around why I won't be asking TSB to take further action.

### **My final decision**

My final decision is that I do not uphold this.

Under the rules of the Financial Ombudsman Service, I'm required to ask The Estate of Mr F to accept or reject my decision before 10 October 2025.

Chandni Green  
**Ombudsman**