

The complaint

Miss W complains Principality Building Society allowed another party to make instructions on her signatory account.

What happened

The details of this complaint are well known to both parties, so I won't repeat everything in great detail here. Instead, I'll focus mainly on the reasons for my 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 agree with the conclusions reached by the Investigator and have decided not to uphold this complaint. Before I give my findings, I should explain that my role here is to think about the individual circumstances of this complaint – not Principality's wider business practices or processes – and whether Principality did something wrong which caused Miss W to lose out as a result. I've taken into account Miss W's detailed submissions regarding her complaint issues. But if there's something I've not mentioned, it isn't because I've ignored it – I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I have not upheld this complaint for the following reasons:

- Miss W's account was a signatory account, opened and funded by a relative when Miss W was a child. The relative acted as the signatory on the account. However, when the signatory sadly passed away, the signatory's personal representative – another relative to Miss W – informed Principality of their passing and subsequently became the new signatory on the account. Principality's terms allow for this where the account holder is under 18 at the time – as Miss W was. As this was a signatory account, not a joint account, Principality's terms were applicable and correctly applied.
- The terms state any signatory must be a '...parent, grandparent, other close relation or legal guardian...'. Although Miss W says she has no relationship with the second signatory, I consider their family relationship to fall within these terms as a 'close relation'. Further, Principality has confirmed the second signatory provided adequate documentation and identification to allay any concerns that she didn't act as a personal representative to the original signatory, or that she shouldn't be added as the new signatory. In addition, the sum of money available in Miss W's account was far below Principality's limit for requiring probate, and below an amount which I would generally have expected it to require probate for.
- The signatory withdrew cash from the account and placed the account, along with its remaining balance, into a fixed bond for Miss W. The terms of the account allow the

signatory to make instructions, and this includes withdrawals, provided they are for the child's benefit. Principality says it doesn't check the reasoning for withdrawals or define 'benefit' because the scope of the term is so broad. As I think Principality did enough to satisfy itself that the signatory was correctly added as a party to the account, I wouldn't necessarily have expected further checks at withdrawal. Further, given the signatory had been correctly added, and the remaining funds placed into an account in *Miss W's* name, I don't consider there to have been sufficient reason for Principality to suspect the activity on the account was perhaps not for Miss W's benefit.

- Miss W has raised several points about Principality's duty of care based on case law and good industry practice. Whilst I've carefully considered these points – as well as relevant law and regulation – it remains that Principality did as much as I would have expected it to in order to ensure the signatory was added fairly and in line with the terms of the account. And, based on what I've already said above, I don't think Principality needed to have done more when instruction was given by the signatory.
- Principality has since removed the signatory from the account and placed Miss W in sole control of the remaining funds. As Miss W is now over 18 and reports having no relationship with the signatory, I think this action is fair. The terms wouldn't have allowed the funds in the account to pass to Miss W before she turned 18 unless Principality was directed to do so by the signatory. And, as I don't think Principality acted unfairly in allowing the second signatory to be added as a party to the account, I can't fairly say Principality should do anything in relation to this complaint beyond the actions it has already taken.

My final decision

My final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 11 April 2025.

James Akehurst
Ombudsman