

## **The complaint**

The estate of Mr L ("The Estate") is unhappy with the actions of National Westminster Bank Public Limited Company ("NatWest") surrounding the closure of the late Mr L's accounts.

The Estate's complaint is brought to this service by one of the executors of the Estate, whom I'll refer to as 'Mrs G'.

## **What happened**

In October 2023, the late Mr L passed away. At that time, he held a current account and two loans with outstanding balances with NatWest.

The late Mr L's sisters, including Mrs G, acted as executors of their brother's estate. They arranged to repay the outstanding NatWest loans and close the current account, and in August 2024 the Estate received a letter from NatWest confirming that the current account would be closed in 90 days' time.

NatWest later confirmed to the Estate that it would use the money present in the late Mr L's current account to partially repay the loans, which would leave a combined outstanding amount of £8,372.17, which the Estate paid to NatWest to settle the late Mr L's loans in November 2024. Shortly afterwards, NatWest sent a letter to the Estate confirming that all matters in relation to the estate of Mr L had now been concluded.

However, in January 2025, Mrs G became aware that the late Mr L's current account was still open. Mrs G visited a NatWest branch and discovered that the money in the current account hadn't been transferred by NatWest to clear the outstanding loans as they'd been told it would. Mrs G wasn't happy about this, and she also wasn't happy about the nature and tone of the letters NatWest were sending to her sister and herself about the accounts, so she raised a complaint with NatWest on the Estate's behalf.

NatWest responded to the Estate but said that their records indicated that the late Mr L's accounts had been resolved in November 2024 and that they had no record of sending any recent letters to the late Mr L as Mrs G claimed. Mrs G wasn't satisfied with NatWest's response, so she referred the Estate's complaint to this service.

One of our investigators looked at this complaint. They noted that NatWest hadn't transferred the money from the current account to the loan accounts when they should have, meaning that the accounts hadn't been closed as NatWest incorrectly believed was the case. And they also noted that because the current account had remained open, it had been able to receive further credits, which meant that when NatWest did transfer the amount required to settle the loans from the current account, a credit balance of £177.06 would remain. Our investigator therefore said that NatWest should move the required money from the current account to the loan accounts and close those accounts, dispersing the remaining £177.06 from the current account to the Estate.

Mrs G wasn't satisfied with the recommendations put forward by our investigator, which she felt failed to take into account the personal distress and inconvenience that NatWest's

actions had caused both her and her sister. So, the complaint 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, it's clear to me that Mrs G has been upset and troubled by NatWest's actions here, which it's important to remember have been taken at a very difficult time for Mrs G personally, given that it relates to the death of her brother.

However, my remit and authority as an ombudsman is defined by the rules as outlined in the Dispute Resolution ("DISP") section of the Financial Conduct Authority ("FCA") Handbook. These rules include, among other things, the definition of an eligible complainant for this service, and to whom this service can instruct a business to pay compensation.

In this instance, these two points are interlinked. The DISP rules confirm that the eligible complainant here is the Estate – because the accounts in question belonged to the late Mr L. Mrs G, in her personal capacity, is not an eligible complainant here, because the accounts were not in her name. Instead, Mrs G, in her role as an executor of her late brother's estate, acts as a representative of the Estate.

That Mrs G is a representative of an eligible complainant (the Estate) and not an eligible complainant in her personal capacity herself is important, because the DISP rules also include that this service can only award compensation to eligible complainants. And this means that I'm unable to award any compensation to Mrs G, or to her sister, for the upset, frustration, and inconvenience that I don't doubt that they've incurred here.

To be clear, this isn't because I don't feel that Mrs G and her sister haven't been troubled and distressed by what has happened. Indeed, as mentioned above, it's clear to me that they have. Instead, it's because the rules which define the remit and authority of this service do not allow me to award compensation to them in their personal capacities. I do not possess the authority to do so.

I appreciate that this will be disappointing and frustrating for Mrs G, who may ask why this complaint hasn't been raised in her name, given that it is herself, in her personal capacity, who is dissatisfied. But as alluded to above, a feature of the eligibility criteria in the DISP rules is that the complaint must arise from the accounts of the eligible complainant. And this complaint doesn't arise from Mrs G's personal accounts – it arises from the accounts of the late Mr L. And this further confirms that Mrs G is acting as a representative of the Estate here, which means that I don't have the authority to award any compensation to her in her personal capacity.

Mrs G has noted that, in addition to the upset she'd experienced in her personal capacity, she has also incurred costs while acting as an executor, including time costs and phone call costs, and has asked to whom she should send the bill.

I can only suggest that Mrs G obtains professional advice in this regard, but it's my understanding (which Mrs G should verify) that family members who act as executors aren't generally allowed to charge an estate for time spent exercising their duties, although they may be able to recover costs such as phone calls from an estate.

Importantly, it would be the estate that an executor would obtain any personal reimbursement from. An estate can then petition a business to reimburse costs paid to an

executor that are felt to have been incurred unfairly. But in this instance, the Estate of Mr L hasn't sought any such reimbursements from NatWest. Should the Estate seek to recover the cost of the phone calls the executors had to make to NatWest after NatWest had initially confirmed that the matters of the estate were settled, I can only refer Mrs G to NatWest to discuss this matter with them in the first instance.

Mrs G is also unhappy about the nature and tone of letters that were sent to her and her sister by NatWest. But having reviewed these letters, I note that they do all refer to the Estate and not to Mrs G or her sister personally. And while the letters present information about potential consequences of non-action, I feel that this is important information that NatWest have an obligation to make clear, and I don't feel that the letters are threatening in any personal or unfair sense.

All of which means that I can't award any compensation to Mrs G or her sister in their personal capacity or consider any costs that they may have incurred, given that their first point of recovery for any eligible costs would be the Estate. Accordingly, all that's left for me to consider here is whether NatWest have undertaken the corrective action that would fairly and reasonably be expected of them.]

In that regard, it's clear that while NatWest intended to use the money in the current account to repay the loans, they didn't do so, which meant that the accounts remained open. And because the current account remained open, it received further credits which it shouldn't have been able to receive, which now require dispersal to the Estate.

Notably, NatWest don't appear to have charged interest to the loans during the time they remained open when they shouldn't have, such that the credit balance remaining in the current account after the loans are paid is the sum of the credits received into the current account during the time that account should reasonably have been closed.

So, what should happen here is that NatWest should use the money in the current account to clear the loan balance, as they initially intended, and then close the late Mr L's accounts, dispersing the remaining £177.06 credit to the Estate. This is what our investigator recommended and what NatWest have already committed to doing. And I also feel that this corrective action does provide a fair and reasonable resolution to the Estate's complaint.

I therefore confirm that my final decision here is that I uphold this complaint against NatWest on this basis. I realise that this won't be the outcome that Mrs G was wanting, but I hope that she will understand, given all that I've explained, why I've made the final decision that I have.

### **Putting things right**

NatWest must use the money present in the current account to clear the outstanding loan balances and close all accounts, dispersing any remaining credit in the current account to the Estate.

### **My final decision**

My final decision is that I uphold this complaint against National Westminster Bank Public Limited Company on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr L to accept or reject my decision before 21 August 2025.

Paul Cooper

**Ombudsman**