

The complaint

Mr N complains as executor of the estate of Mrs L (his late mother-in-law), that TSB Bank plc released monies belonging to the estate to his sister-in-law (Ms C), without checking her authority to receive them.

What happened

Mrs L sadly died in 2015. She left a will appointing Mr N as her executor. Mr N found out that Ms C had asked for payment of monies to her from Mrs L's former accounts. She had signed a declaration on a bereavement form supplied by TSB that Mrs L had not left a will and she was the sole beneficiary of the estate. On the basis of this TSB released the monies in the sole account to Ms C, in January 2016.

Mr N wrote to TSB's bereavement team on 17 March 2017. The letter explained that he was in litigation in overseas courts with Ms C over the validity of the will. He also complained about the release of the monies to Ms C. TSB advised that it couldn't act until it received a copy of the grant of probate..

Mr N advises that he received the Scottish grant of confirmation in 2020, but continued litigation against Ms C. In June 2024, having received the overseas grant of probate he wrote a letter of complaint to TSB. He complained about the release of the monies in a sole account belonging to the late Mrs L and the release of monies held in two joint accounts in Mrs L's and Ms C's names.

TSB said it had followed the correct process at the time and that it passed over the monies to Ms C following her signing of the declaration. The monies in the joint accounts that Ms C held jointly with Mrs L were automatically transferred over to Ms C according to the terms and conditions (Ts & Cs) of those accounts.

On referral to the Financial Ombudsman Service our Investigator didn't think that TSB had acted unreasonably, so wouldn't be asking it to do anything further.

Mr N didn't agree and the matter has been passed to me for an Ombudsman's consideration

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.

I understand that Mrs L passed away in May 2015 and Mr N's wife passed away in September 2015. I extend my sincere condolences to Mr N for what must have been, and is continuing to be, a very difficult time for him.

This decision concerns TSB's release of monies from Mrs L's sole account to Ms C and from the joint accounts she held with Ms C. Mr N has mentioned accounts that were held with his late wife but those must be dealt with as a separate complaint.

The circumstances of the matter were that Mrs L died in May 2015 but it was not until

November 2016 that TSB was notified, by Ms C, of the death. At that time, I understand that Mrs L had a sole account with TSB with around £2,600 balance. She also held two joint accounts with balances of around £18,000 in one and £2,500 in another. In line with the Ts & Cs of the joint accounts, those were transferred into Ms C's sole name. I understand that, following the completion of a bereavement form, the monies in the sole account were released to Ms C.

As regards joint accounts, unless the parties agree otherwise, when one party dies the other party becomes the sole beneficiary of that account. Our investigator has pointed out the relevant term in the account Ts & Cs which applies and reflects the law as it stands now and as it stood in 2016. As I've not seen any evidence to show the joint accounts should have been treated differently in my view TSB acted appropriately in respect of the joint accounts.

As regards the monies in the sole account, the bereavement form signed by Ms C stated the following:

- The deceased did not leave a will.
- That the only person entitled to a share of the estate (ie Ms C) had signed the form.
- The person signing, again Ms C, is the daughter of the deceased.
- A declaration indemnifying TSB against all demands, liabilities, losses, charges and expenses it may incur as a result of making the payments.

So, the question I am concerned with is whether based on that, TSB was justified in releasing monies in the sole account. I understand that there was in fact a will and Mr N had been corresponding with Ms C about it. And that after several years of litigation in an overseas court, this was found to be valid. It does seem that at the time of signing Ms C knew Mr N alleged that there was a will though she disputed its validity.

However, TSB wasn't informed of any such dispute until March 2017 by Mr N. He argues that TSB should have cross checked to see if there were other relatives and/or have written to Mrs L's last known address. No doubt if there was a family dispute noted on the records, which I don't think there was, TSB could have frozen the account. But this appeared to be a very small estate and its procedure was to require the bereavement form with the appropriate declaration signed. Ms C would clearly have been able to prove she was the daughter of the deceased. And as she asserted there was no will, owing to the actual amount in the account, I think it was reasonable for TSB to release the money without asking for a grant of probate or similar document.

Finally, I also bear in mind that this was in 2016. Banks' procedures regarding possible fraud/money laundering have considerably tightened up since then. And computer records are now much more sophisticated. Looking at the matter as it stood in 2016, I don't think I can uphold the complaint. So, I won't require TSB to take any other action. This doesn't imply that Ms C was entitled to have the money transferred to her.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs L to accept or reject my decision before 1 August 2025.

Ray Lawley
Ombudsman