

The complaint

Mrs H complains on behalf of her late husband's estate that The Royal Bank of Scotland Plc (RBS) didn't handle enquiries about the estate correctly causing delay and distress.

What happened

Mr H died on 5 August 2024. He held RBS accounts in his own name and also jointly with Mrs H. Mrs H said Mr H left all assets to her, not realising that in Scotland money in the bank is considered to be moveable assets and subject to the relevant inheritance law.

Mrs H sought advice from RBS about the joint accounts. On 10 September 2024 RBS said joint account monies are not part of Mr H's estate. But Mrs H said solicitors for the estate told her Mr H's half share of the joint accounts must be included in his assets. Mrs H said this means she can't finalise the estate until this is resolved. Mrs H said she has been in contact with RBS since October 2024, without an explanation regarding its interpretation of the legal situation. Mrs H complained to RBS on behalf of the estate of her late husband.

After the passage of time and various communications, RBS told Mrs H the complaint had been logged, but then treated it as a request for information with no further action. RBS accepted it was in error and had caused inconvenience and apologised to Mrs H and paid £300 compensation. RBS said its legal team would respond to her questions.

RBS' legal team wrote to Mrs H that there is no law of survivorship in Scotland, but the terms and conditions require that funds in joint accounts are not held on the basis that each party owns half the funds. This means either party may withdraw some or all of the funds, without the other's consent. And joint accounts are generally converted to sole accounts on death - the funds do not pass by survivorship. In summary, RBS said the joint account is now in Mrs H's sole name and she owns the funds, and they aren't considered part of the estate.

Mrs H wasn't satisfied with this outcome and referred the estate's complaint to our service. Our investigator didn't recommend that the complaint be upheld. She said section 3 of the terms of the joint RBS accounts states; *'If one of you dies, we'll accept instructions from the remaining account holder(s) and the account will pass into their name(s)'*. She said this is mirrored by the advice on the Law Gazette's website; *'In the UK bank and building society accounts are generally held by the joint account holders as 'joint tenants'. This means that when one account holder dies, the funds in the account automatically pass to the surviving account holder by the principles of survivorship... regardless of the terms of the deceased's will or the rules of intestacy (when someone dies without a will) and probate is not required. The surviving account holder can simply provide the bank or building society with the death certificate and the account will be transferred into the survivor's name'*.

The investigator said RBS gave Mrs H accurate information as reflected in its terms. She said RBS described its letter as misleading and would be re-worded, but RBS provided accurate information about the principles of joint accounts. Although Mrs H believes that RBS said she was entitled to more compensation, RBS paid £300 for its poor service and lack of communication which it addressed in its response. She said this is fair and in line with our guidelines and Mrs H said there have been no additional legal costs from the complaint.

Mrs H was unhappy with this outcome and requested an ombudsman review her complaint. She said her delay in responding to RBS was due to the situation impacting on her health and so it was 26 January 2025 before she felt able to continue with her enquiries, but she had called RBS in October and November 2024 to find out more, without success.

Mrs H said her enquiry was passed between sections of RBS and shelved with no action until its letter of 2 June 2025 i.e. 8 months after my initial enquiry. She said that letter apologised for RBS' error. Mrs H said she couldn't accept that the wording of RBS' letter of 10 September 2024 was 'misleading', as it is either correct or incorrect.

Mrs H said £300 compensation is inadequate for the confusion and distress caused. She said compensation of over £5,000 would be appropriate if RBS is wrong in its interpretation of the rules of inheritance in Scotland due to the impact on the lives of herself and her family.

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.

Mrs H said she initially thought her questions could be resolved very quickly by RBS. I sympathise with her for the time it has taken to get matters addressed at a very difficult time for her in dealing with her late husband's estate. She said that this caused her and her family stress, delayed house buying decisions and caused huge anguish in addition to the grief they have been experiencing.

I should point out that the complaint has been brought by the estate of the late Mr H. This means the complaint is on Mr H's behalf and is not brought by Mrs H in her own capacity as a customer of RBS. This is because the complaint concerns the advice from RBS about the dispersal of funds from accounts according to rules governing an inheritance.

As the complainant (the estate of Mr H) isn't a 'natural person' and can't have hurt feelings we wouldn't award compensation for distress or pain and suffering, even if its beneficiaries have experienced those types of impacts individually from the bank's conduct. That is not to say that Mrs H and her children have not suffered distress – they clearly have, but I can't consider their distress in terms of compensation as they are not the complainants in their own right. However, an estate can suffer inconvenience, and I have considered that here.

Mrs H said RBS dragged its heels for months in dealing with her enquiry and delayed the settlement of Mr H's estate. She said she cannot accept that the wording of RBS' letter of 10 September 2024 was 'misleading'. She said it is either correct or incorrect and has delayed decisions regarding house buying.

I am pleased that RBS acknowledged and apologised to Mrs H that her enquiry was passed around its departments, without a response. It is obvious that RBS did not recognise the complaint that was made and delayed its response to Mrs H's questions. I have looked at RBS' correspondence and the timeline of communications between the parties to see whether the £300 compensation it has paid her is fair for the inconvenience caused to the estate.

In its response to Mrs H's enquiry of 10 September 2024 about inheritance rules and her joint accounts, RBS wrote that the monies held in the joint accounts did not form part of his estate. Although Mrs H found this contradictory to the advice from her solicitor and sought further advice from RBS, it doesn't mean RBS was incorrect.

I can see that Mrs H was unsuccessful in gaining further advice from RBS and wrote to RBS on 26 January 2025 for clarification from their legal team. Most of the delay up to then was RBS' but Mrs H also concedes that she didn't pursue matters vigorously, and I understand

her reasons for this. However, she did make two calls to RBS and said that both call handlers confirmed that the information in RBS's letter about the joint accounts was correct.

After this RBS logged the complaint but didn't provide any answers and Mrs H had to push for a response via many calls and delays. RBS finally responded to the complaint on 2 June 2025, which included a referral to its legal team to respond to the questions about Mr H's estate. RBS followed this on 19 June 2025, with a letter saying its letter of 10 September 2024 was misleading. I can see that at this point RBS was trying to put things right and set out the terms and conditions of the account; *'If one of you dies, we'll accept instructions from the remaining account holder(s) and the account will pass into their name(s)'*.

Mrs H said *'the confusion caused by the wording of their letter of 10 September 2024 when compared with their letters of 2 June, 19 June and the explanations caused substantial worry over many months'*. Mrs H said compensation of over £5,000 would be appropriate if RBS is wrong in its interpretation of the applicable inheritance rules.

Having looked at its letters I can't see confusion on the part of RBS. The letter of September 2024 stated; *'The accounts listed below are joint accounts Mr H was joint party to. They do not form part of the estate.'* This was the extent of the information about the estate in the letter, but is the position maintained by RBS in all subsequent communications. RBS subsequently said this was misleading, but only in that a claim on the account balance by the estate would need to be resolved between the estate and the surviving party. However, RBS said it was unaware of any claim on the estate at that time. RBS confirmed the joint account had been transferred into a sole account in the name of Mrs H.

The advice from RBS in its September 2024 (albeit brief) and June 2025 letters is consistent and in accordance with the terms and conditions of the accounts. I have no reason to believe the advice was incorrect. The investigator was correct to say that we cannot consider the advice given to the estate by its own legal representatives. Fortunately, Mrs H has said there is no increase in fees from the estate's legal representatives as a consequence of the delays from RBS.

I agree with Mrs H's comment that the £300 compensation from RBS was in respect of the way she had been treated and not in any way related to the legalities of the case. Mrs H has described the inconvenience from the lack of contact from RBS and its lack of understanding of the effects of the delay as absolutely horrendous, lasting months. She said this was principally that she could not apply to administer the estate.

Mrs H has correctly described her enquiry being passed between sections of RBS and shelved with no action until its letter of 2 June 2025. Notwithstanding that had Mrs H accepted the initial advice from RBS she could have commenced administration of the estate in 2024, I think having to wait eight months after her initial enquiry was unacceptable.

However, I agree with the investigator that the apology from RBS together with payment of £300 compensation is a fair and reasonable response to the complaint. And it is consistent with awards we have made in similar circumstances to this complaint. By way of a reminder this decision takes into account that we cannot consider Mrs H or her family's distress, disappointment and other effects other than the inconvenience caused to the estate. And that I haven't found any material error in the legal advice provided to the estate by RBS.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr H to accept or reject my decision before 2 December 2025.

Andrew Fraser
Ombudsman