

The complaint

The estate of Mrs D complains that Santander UK Plc denied the existence of an investment she held. The estate claim that Santander have acted fraudulently. The estate is also unhappy that Santander will only deal with one of the executors.

To put things right, the estate would now like Santander to pay them the value of the investment (£4,400), in addition to the monies within the investment itself, as compensation.

What happened

Mrs D sadly passed away in late 2022; prior to her death, she'd prepared a will, leaving her estate to her two sons who she also appointed as executors. At the time of her death, she held an investment ISA with Santander valued at around £3,425. Santander were notified of Mrs D's death on 29 December 2022 by one of her sons, who was noted on their records as the executor of the estate. At that point, Mrs D's estate was wrongly informed that that she no longer held any monies with them.

On 8 October 2024, Santander were contacted with details of an investment and at that point, the account was found and the error identified. Santander wrote to Mrs D's son on 8 November 2024 apologising for the oversight and explaining that they needed instructions on how to proceed with the monies in the investment. Santander explained that their standard approach in such circumstances is to offer compensation from the time of the event plus 8% interest but as the investment had grown by more than 8% in the intervening time, they'd determined that there'd been no investment loss. However, Santander said that they'd still offer £250 as a goodwill payment for the distress and inconvenience they'd caused by the misinformation.

Mrs D's other son was unhappy with that outcome, so he contacted Santander to express his disappointment. However, whilst both of Mrs D's sons were named as her executors, Santander only held evidence of the identity of one of them on their records, so they were unable to correspond with the unverified son.

The estate of Mrs D was unhappy with Santander's response, so they referred their complaint to this service. In summary, they said that Santander had committed fraud by falsely claiming that she didn't hold any monies with them. The executors felt it was unreasonable that Santander wouldn't deal with Mrs D's other son, who was also named as an executor in her will. The executors explained that they didn't feel Santander's actions went far enough and were of the view that the compensation offered should match the value of the funds held within the investment.

The complaint was then considered by one of our Investigators. She concluded that Santander hadn't treated the executors unfairly and she also said, in summary:

- Santander's explanation about why the late Mrs D's investment ISA wasn't initially identified in late 2022 was reasonable.

- Asking for the unverified executor to provide evidence of identity is standard practice in the industry. That ensures banks are dealing with the person(s) entitled to administer the estate.
- This service had been provided with copies of statements sent to the late Mrs D from November 2022, February 2024 and August 2025 so Santander hadn't stopped sending communication to her address so Santander have not been trying to hide the existence of the late Mrs D's ISA.
- In this case, the late Mrs D is the eligible complainant, as she had the business relationship with Santander. Those acting as executors are bringing the complaint on her behalf. This means we can't compensate an executor for any impact incurred by them personally when dealing with a complaint.
- In December 2022 the value of the investment was £3,452.69. On 23 September 2025 the value was £4,577.44. The money within the ISA remained invested and hadn't incurred a financial loss as the investment value is higher than it would have been had the executors been made aware of the account in December 2022. The current value of the account is more than the 8% simple interest that would have been added to £3,452.69 from December 2022 until November 2024. So, our Investigator concluded that there is nothing more for Santander to pay.

Unhappy with that outcome, the estate then asked the Investigator to pass the case to an Ombudsman for a 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.

I have summarised this complaint in less detail than the estate of the late Mrs D have done and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this and it simply reflects the informal nature of our service as a free alternative to the courts.

My role is to consider the evidence presented by the estate of the late Mrs D and Santander in order to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice. Where there's conflicting information about what happened and gaps in what we know, my role is to weigh up the evidence we do have, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened. And, having done so, I'm not upholding the estate's complaint – whilst it's largely for the same reasons as our Investigator, I'll explain why below.

But, before I do, I'd like to express my sincere condolences to the executors of the estate on their mother's passing. I do very much appreciate that having to deal with matters such as this must be very challenging at such a difficult time.

I don't believe that there's any doubt Santander have made a mistake; they've admitted as much and apologised. It seems that when Santander were notified of Mrs D's death in late

2022, she didn't have any bank or savings accounts with them but her investment was held on a separate platform and when a search was undertaken, it was initially missed. That's because, Santander say Mrs D's internal customer number wasn't linked to any investments. Whilst the executors have stated that they're of the view Santander has committed fraud by failing to inform them of their late mother's investment, I don't agree. I say that because whilst Santander initially informed them that Mrs D didn't hold any monies with them, they continued to issue statements to her address. I think had Santander deliberately tried to mask any monies she had with them, they wouldn't have issued those regular updates. And in any event, the regulator requires firms such as Santander to segregate client monies away from their own funds so Santander would never have been in a position to claim Mrs D's monies as their own.

Whilst I appreciate that dealing with the administration of an estate can be stressful, I don't think Santander acted unreasonably when they asked the second executor to provide evidence of his identity. I accept that both of Mrs D's sons were named on her will as executors, but that doesn't give them both authority to act without first having had their identity verified. Santander need to satisfy themselves that the persons that they're dealing with and claiming to be executors are who they say they are, so I don't believe that Santander were trying to be difficult or put hurdles in the way of Mrs D's other son when they asked him to complete their relevant paperwork.

Firms are required by the Money Laundering Regulations to identify and verify anyone acting on a customer's behalf, including executors. In that context, asking the second executor to provide proof of identity and authority was reasonable and in line with industry practice. At the same time, the Financial Conduct Authority (FCA) expects bereavement processes to be clear, empathetic and as friction-free as possible. But, Santander is still obligated to follow Regulation 28 of the Money Laundering Regulations 2017 in such circumstances which require them to identify and verify the customer and *any* person acting on their behalf.

All financial services firms, such as Santander are regulated and overseen by the FCA. The FCA is also responsible for setting the rules that govern this service and which I must abide by. I think it's important to highlight that in the regulator's dispute resolution rules, often referred to as DISP, they set out who they consider to be an 'eligible complainant'. A complaint can only be brought by or on behalf of an eligible complainant, including on behalf of someone who has died by a person authorised by law (such as an executor). Here, Mrs D is the eligible complainant; her two sons as executors are acting on her behalf. That means I can consider losses to the estate, but I cannot award compensation to an executor personally for their own distress or inconvenience. So, the decision on whether to award the executors £250 as a goodwill payment, is a matter entirely for Santander.

I can, however, consider awards where the estate has been impacted financially as a consequence of a firm's actions. However, in this case, I'm not persuaded that's happened. Where a consumer (or estate) has been deprived of money they should have received earlier, this service has historically used 8% simple interest as a benchmark for compensating that loss of use. In this case, the ISA funds remained invested and, on the evidence that I've seen, the investment's growth exceeded what would have been achieved by adding 8% simple interest to the December 2022 value over the relevant period. On that basis, there is no net financial loss to the estate.

The executors have stated that they want Santander to pay them 100% of the value of the investment as 'an eye for eye'. However, that's something that this service would never sanction. We're not here to punish businesses when things go wrong, we would only ever ask the firm to put the estate back into the position that it would've been in were it not for the error and it seems to me that is what's happened here.

Santander's error was acknowledged and apologised for. However, because the estate has not suffered a financial loss (the investment grew more than the 8% benchmark), I am not upholding the complaint. Santander's £250 goodwill gesture recognises the distress and inconvenience caused; whether to pay that remains a matter for them. So, whilst I appreciate my decision will come as a disappointment to the executors, I'm not upholding their complaint.

My final decision

I'm not upholding the complaint that's been raised by the estate of the late Mrs D and it therefore follows that I won't be instructing Santander UK Plc to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Ms D to accept or reject my decision before 4 March 2026.

Simon Fox
Ombudsman