

## The complaint

Mrs C complains about the service received from National Savings and Investments ("NS&I") regarding the administration of a joint account she held with it following the death of the joint account holder. In particular, she is unhappy she had to obtain a Grant of Probate to regain access to funds which should've passed to her by right of survivorship.

## What happened

Mrs C and her late mother held a joint direct saver account with NS&I. Mrs C's mother sadly died in September 2024. The balance held in the joint account at the date of death was around £99,000. The following day Mrs C transferred £25,000 into the account she'd held jointly with her mother.

The terms and conditions of the direct saver account state that:

"If one account holder of a joint account dies, the surviving account holder will get ownership of the account, and they will be able to manage the account on the same terms as when it was jointly held."

On 29 October Mrs C submitted a bereavement form to NS&I notifying it of her mother's death and requesting the account be transferred into her sole name. In response to this NS&I froze the account resulting in Mrs C not being able to access the funds.

Mrs C then received a letter from NS&I on 31 October confirming that the account was held in joint names and that ownership automatically passes to the survivor. NS&I went on state because the amount held in the account was over £50,000 it needed confirmation that no inheritance tax was payable or that any inheritance tax due had been paid and requested Mrs C send in the Grant of Probate. NS&I provided a date of death valuation which included the £25,000 Mrs C had transferred into the account the day after her mother had died.

Mrs C replied to NS&I on 8 November confirming that no inheritance tax was payable and that she'd not be applying for a Grant of Probate and asking NS&I to transfer the account into her sole name as previously requested.

Following this on 27 November 2024 NS&I requested a letter from the HMRC proving that inheritance tax had been paid or none was payable or a Grant of Probate because the value was over £50,000.

Mrs C entered into further correspondence with NS&I asking why it felt a Grant of Probate was necessary when joint accounts pass by survivorship and when no inheritance tax was payable. Furthermore, Mrs C queried the date of death valuation as it included funds transferred in days after her mother had died and requested a corrected date of death valuation and pointed out that the value of her mother's share of the funds held in the joint account was less than £50,000.

Mrs C raised a complaint with NS&I about all this. NS&I didn't agree it made any errors and said that where the total value for any combination of products exceeds £5,000 it reserves

the right to request a Grant and that the Director of Savings reserves the right to request a Grant for a claim of any value and so given the value of the total holdings said it was necessary for Mrs C to obtain a Grant. NS&I explained that it produces the date of bereavement valuations the day after the date of the actual bereavement and so as consequence of Mrs C transferring in £25,000 the day after this it was included in the valuation. In recognition of the service received NS&I credited £30 to Mrs C's account.

Feeling she had no other option Mrs C instructed her solicitors to extract a Grant of Probate for her mother's estate at a cost of £2,706 which was issued and sent to NS&I on 14 February 2025. Following receipt of this the account was registered in Mrs C's sole name and the account unfrozen.

Mrs C being dissatisfied with the way the matter had been handled by NS&I brought her complaint to this service. Mrs C says as a result of NS&I's actions she was unable to access her funds to invest elsewhere with a guaranteed higher interest rate. Mrs C disputes that the date of death balance provided as it included money paid in a day after her mother died and wants an amended valuation. Furthermore, Mrs C wants to be reimbursed for the costs involved in extracting the Grant of Probate and compensated for the distress and inconvenience suffered.

One of our investigators looked into Mrs C's concerns and thought that NS&I's terms and conditions were misleading if NS&I required a Grant of Probate or letter regarding tax to access the account following the death of a joint account holder, but didn't think NS&I had done anything wrong in requesting these documents as they didn't think the survivorship rules always related to parent/offspring relationships in the same way it does with spouses.

And as interest continued to be earned and Mrs C had access to alternative funds, they didn't agree Mrs C should be compensated for any missed interest or investment opportunities. But they didn't agree NS&I were right to include the £25,000 in the probate valuation as it was paid into the account the day after Mrs C's mother died and so thought NS&I should compensate Mrs C a further £120 for any distress and inconvenience caused.

Mrs C disagreed and has asked for an ombudsman's decision on the matter. Mrs C says despite being the surviving owner of the joint account she wasn't able to manage the account on the same terms as when it was jointly owned, but rather, the account funds were frozen, and she was forced unnecessarily to obtain a Grant of Probate to gain access to her money.

I issued my provisional decision on 30 September 2025. In my provisional decision, I explained why I was proposing to uphold Mrs C's complaint. I invited both parties to let me have any further submissions before I reached a final decision. Mrs C has accepted my decision but although NS&I have asked for a copy of Mrs C's solicitors bill it has yet to respond.

### **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.

In my provisional decision I said that:

*"My role is to look at the problems a customer has experienced and see if the business has done anything wrong or treated them unfairly. If it has, I would seek – if possible - to put the customer back in the position they would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable."*

*And having considered everything carefully, I'm currently minded to uphold this complaint as I think NS&I have made a number of errors in the administration of Mrs C's direct saver account – formally held jointly with her mother.*

*As a general rule joint bank accounts - whether held between spouses or not - pass by right of survivorship and outside the estate on an account holder's death. There may be exceptions to this such as when an account has been set up as Tenants in Common arrangement or where the true intentions of the account holders weren't for this to happen.*

*But I've seen no evidence this is the case here. Indeed, Mrs C has explained to this service the whole point of holding the account jointly was to avoid the administrative burden of obtaining a Grant of Probate when her mother passed and to simplify the administration of her estate at what is undoubtedly a very distressing time.*

*And as this is confirmed in the account's terms and conditions, I'm perplexed as to why this didn't happen. I note that when submitting the bereavement form Mrs C named herself as one of two executors dealing with her mother's estate rather than dealing with the joint account separately from her mother's other NS&I held products - and this could've caused some confusion in the administration initially. But following this Mrs C made it very clear to NS&I what the situation was and explained her understanding of the law and procedure regarding the administration of joint accounts following the death of an account holder, but it seems this fell on death ears.*

*Furthermore, I am dismayed that NS&I's position on providing date of death valuations is to provide a valuation of products held for the day following a customer's death. A valuation of an account for probate purposes should give the balance of the account on the date of death plus if applicable a separate figure for any accrued interest. The consequences of not doing this could mean that an estate is over or undervalued for inheritance tax purposes.*

*Fortunately, in Mrs C's mother's case the estate wasn't taxable. The Grant of Probate for Mrs C's mother confirms the gross value of the estate was just over £25,000 and net value just under £15,000. And Mrs C has confirmed with this service what other assets her mother held outside of the direct saver account and that she was able to deal with these without a Grant of Probate. I'm persuaded that this was the case and that the only reason the Grant was extracted was due to NS&I's errors.*

*As a result of this Mrs C was deprived of funds that legally belonged to her for months, wasn't able to invest her money where she wanted and forced to obtain completely unnecessarily a grant of probate at a cost.*

*Following release of the funds Mrs C says she opened a Guaranteed Growth Bond for 1 year paying 4.05% gross AER, so I think it's likely that this is what Mrs C would've invested in or something paying a similar return had she had access to the funds sooner than she did.*

*So I currently think Mrs C's complaint should be upheld in full."*

*As neither party has provided any further evidence or arguments for consideration, I see no reason to depart from the conclusions set out in my provisional decision. It follows that I uphold this complaint.*

### **Putting things right**

NS&I should:

1. Reimburse the solicitor's fees of £2,706 for obtaining the Grant of Probate;
2. Pay the difference in interest between what the funds held in the direct saver account received and the 4.05% Mrs C is currently getting from 31 October 2024 to 24 February 2025 (when the funds were released);
3. Provide a correct amended probate valuation for the account showing what the balance was at Mrs C's mother's actual date of death; and
4. Compensate Mrs C £320 for the distress and inconvenience suffered.

### **My final decision**

My decision is that I uphold Mrs C's complaint against National Savings and Investments and I direct it now put things right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 17 November 2025.

Caroline Davies  
**Ombudsman**