

The complaint

Mr W complains about the service received from Investec Bank PLC (“Investec”) when dealing with his sister’s financial affairs under a Deputyship Order. In particular, Mr W is unhappy that Investec transferred his sister’s savings account from her name into his without his permission resulting in a tax liability in his name.

What happened

Mr W holds a deputyship order for his sister Mrs E. This was registered against Mrs E’s accounts with Investec in February 2019. At this time as per Investec’s processes with its analogue savings products a profile was set up in Mr W’s name and then this was linked to his sister’s account.

In October 2019 Mr W opened a Notice Plus 95 Day Account (Plus account) online through his online banking profile for his sister and funded the account from her account with Investec. Due to the new account being opened online, Investec’s system defaulted to Mr W’s personal details creating an account and profile in his personal capacity rather than his sister’s.

Investec say in instances where a customer holds a deputyship account, its standard procedure is to make contact with the applicant to confirm whether any new account opened online should be held under deputyship authority or in the sole applications name. Investec say - and its internal records also indicate - this step was overlooked in Mr W’s case resulting in the Plus account being opened in Mr W’s name rather than his sister’s as intended.

Investec made a decision to discontinue its traditional savings accounts in 2020 and a notification was emailed to Mr W about this on 4 October 2022. The email explained that Mr W’s Plus account was closing and that Mr W either had to replace this with a Notice Saver account (Saver account) or withdraw the funds and transfer them elsewhere. The email explained to switch to a Saver account you had to open the account on its new platform, confirm your identity and then close the Plus account and switch the balance. Investec say that existing clients couldn’t be transferred across from the traditional platform to the online one.

Mr W contacted Investec to enquire about the interest rate being received on the Plus account. Mr W decided he wanted to move to the Saver account and was told he had to apply for the account first online by himself and then call back with details of the new Saver account and then they’d process the transfer of funds for him. Mr W was given the web address he needed to apply for the account.

In-line with Investec’s instructions Mr W opened a Saver account ending 7528 and contacted Investec for assistance in closing the Plus account and transferring the funds over. During the call Mr W confirmed that the destination account was in his own name, the Plus account was closed and the new Saver account funded with the proceeds.

This account matured and the funds held within (£58,151.15 including interest of £2,317.11) were reinvested on 4 October 2023.

Following this Mr W received a tax notification from the HMRC regarding interest earned on the accounts held with Investec. Mr W complained to Investec that it wrongly opened an account in his name when it should've been set up in his sister's name with the same set up as held previously and that the funds held with it have always been for the benefit of his sister and asked Investec to notify the HMRC of the situation.

Investec agreed it was due to its error that the Plus account was opened in Mr W's sole name and so agreed to refund the tax amount he'd been charged on the interest earned on the provision of documentation confirming the amount. But Investec didn't agree it was responsible for any tax liabilities relating to the Saver account as the Deputyship documentation wouldn't have been transferred by it onto the new platform and that Mr W opened this account himself in his sole name and that it had correctly reported this to the HMRC.

Mr W was dissatisfied with this and so brought his complaint to this service. Mr W wants Investec to confirm to HMRC that the Plus and Saver accounts were in the ownership of his sister, and he is not responsible to pay tax on the interest earned on these accounts.

One of our investigators looked into Mr W's concerns and thought that there had been a service failing on Investec's behalf as it had failed to ask him whether the investment in the Plus account was for him or Mrs E and so it was mistakenly opened in Mr W's name.

This meant Mr W wouldn't have been aware that when closing and transferring this to the Saver account, it wasn't held under the deputyship for his sister. They thought Investec had a duty when moving to the new system to inform Mr W that its new system doesn't transfer over profile information such as deputyships. This resulted in Mrs E's investments being now held in Mr W's name and him being liable for any tax on interest earned.

To put things right they thought Investec should refund Mr W the tax amount charged by the HMRC and write to the HMRC to explain the error to help Mr W resolve the issue as he will continue to be charged tax on the Saver account.

Investec disagreed that Mr W's old profile was transferred over to its new platform. It says that no accounts were migrated over onto the new platform and the old platform was closed and clients either moved their funds to another bank or set up a new investment on the new platform. Investec say that the new Saver account was opened using Mr W's own ID with a selfie of himself – which Mr W strongly disputes.

Investec say that the new platform doesn't allow you to open accounts in someone else's name and that although a Power of Attorney can be added to an account once open that the new platform doesn't support Deputy accounts or third-party mandates. Investec have confirmed that it is not possible to change the fixed rate savers account into the deputyship account.

I issued my provisional decision on 23 December 2025. In my provisional decision, I explained why I was proposing to uphold Mr W's complaint. I invited both parties to let me have any further submissions before I reached a final decision.

Investec have accepted my recommendations but would like to have it noted it can't open accounts for clients and there is no ability to transfer a client's details over to its new model as it is a self-service platform.

Mr W has also accepted my provisional decision and confirmed that the account held with Investec in his name was closed in October 2025 at his request.

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:

"It might help if I explain here 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 in this case after considering everything I'm in agreement with our investigator that an account was opened incorrectly in Mr W's name due to errors made on Investec's part which has resulted in Mr W becoming liable for tax on the interest earned that he isn't beneficially entitled to.

Investec has explained that when Mr W opened the Plus account that its system defaulted to Mr W's personal details creating an account and profile in his personal capacity rather than his sister's. Furthermore, Investec has accepted that its standard process wasn't followed and it didn't check if the account was for him or his sister.

And as a result of this Mrs E's account and the funds contained therein were incorrectly transferred into a new Plus account in Mr W's name.

Being none the wiser, Mr W continued to manage what he thought was his sister's account and wanting to get a better rate of interest for her followed Investec's instructions and opened a new Saver account and transferred the funds over from the Plus account.

Investec accept that it was its error that led to the Plus account being opened in Mr W's name. But Investec do not accept responsibility for the Saver account being opened in his name because Mr W himself applied and opened the account in his name providing ID and a selfie to do this. Mr W disputes this and Investec haven't provided any documentation to show that Mr W provided a selfie or ID during the account opening process.

But I don't think this matters as I think the only reason Mr W has ended up in this position is because of Investec's initial error in the opening of the Plus account in Mr W's name. I think it's more likely than not that had Investec checked with Mr W whether the account was meant to be in his or in Mrs E's name Mr W would've confirmed the later, and the Plus account holding Mrs E's funds wouldn't have been closed and the funds moved to a Saver account in Mr W's name.

So on this basis I currently think Mr W's complaint should be upheld.

As explained above when I find that a business has done something wrong, I would seek to put the customer back in the position they would've been in if the mistakes hadn't happened. But as Investec have said it can't transfer the Plus account into Mr W's sister's name – this isn't possible.

So in cases such as these I look need to look at alternative ways of putting things right. As the Saver account can't be transferred into Mrs E's name, I think Investec should allow Mr W

to close the account without penalty, at its cost and transfer the funds to another appropriate account for his sister of his choosing.

Due to Investec's mistake Mr W has unfairly become liable to pay tax on interest earned on funds that his sister – not him - is beneficially entitled to.

So to put this right Investec should provide a letter to Mr W which he can provide to the HMRC confirming that it was its mistake that led to both accounts being transferred into his name and that it was Mrs E who was beneficially entitled to the money and that Mr W hasn't benefitted himself from the funds held in the accounts.

I don't think it would be right for Investec to pay Mr W the amount of tax he's been charged as it is up to the relevant authorities – the HMRC - to work out Mr W and Mrs E's tax affairs and correct any errors that have been made.

But I do think some compensation is warranted as no doubt Mr W has been both distressed and inconvenienced by this when he was merely trying to assist his sister in the management of her financial affairs.

And so I think in recognition of this that Investec should compensate Mr W £300.

So it follows that I currently intend to uphold this complaint as I think that Investec have made a mistake in opening accounts in Mr W's name instead of Mrs E's resulting in Mr W unfairly incurring a tax liability."

As both parties have accepted my provisional decision, 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

Investec should now:

- Provide a letter to Mr W confirming that it was its mistake that led to both accounts being transferred into his name and that it was Mrs E who was beneficially entitled to the money held within and any interest earned.
- Compensate Mr W £300 for the distress and inconvenience suffered.

My final decision

My final decision is I uphold Mr W's complaint against Investec Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 4 February 2026.

Caroline Davies
Ombudsman