

## **complaint**

Mr and Mrs S complain about the way in which Barclays Bank Plc has dealt with the closing of the accounts of Mrs S's late mother.

## **background**

Mrs S's mother passed away in September 2016. She asked Barclays to close her late mother's accounts and send her the balance. Mrs S wanted to pay the funeral costs out of the money.

Barclays said it wouldn't be able to close the accounts until an indemnity form had been signed.

Mr and Mrs S say they were told by Barclays in a call on 25 October 2016 that a credit card debt would've to be paid first before any money was released to them. They say that they were concerned about not being able to pay the funeral costs if the credit card debt was paid first. They were also concerned about being liable for the credit card debt if they signed the indemnity forms.

Barclays did pay the funeral costs at the end of November 2016. It says its policy is to apply set-off which is using any balance in an account to pay in this case a credit card debt. It doesn't accept that funeral expenses should be paid before set-off is applied.

Mr and Mrs S complained to us and our adjudicator didn't uphold the complaint. She didn't think Barclays had acted unfairly and didn't think it was for this service to decide in which order debts were paid by an estate.

Mr and Mrs S don't accept that view. They say Barclays' actions have caused them distress at what was a difficult time for them. They don't think Barclays should be keeping the remainder of Mrs S's late mother's money.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I realise this must have been a difficult time for both Mr and Mrs S and I don't think Barclays has helped the situation. I've looked at Barclays records of what has happened. And I don't think Mr and Mrs S were ever told that by signing the indemnity forms that didn't mean they were liable for any debts of Mrs S's late mother. I think that was part of the reason they didn't wish to sign the indemnity forms. I think the other concern was that if they signed the indemnity forms then Barclays would apply set-off straight away and there may not have been enough money left to pay for the funeral.

I'm satisfied having looked through the bank records those two concerns have not been addressed by Barclays. I can also see that in a phone call on 25 October 2016 Barclays told Mr S that money wouldn't be released to pay for the funeral until the credit card debt was paid first.

I can understand how concerned Mr and Mrs S would've been in those circumstances and think Barclays could've addressed those concerns far earlier. I think Barclays could've been far clearer in explaining its policies and procedures.

I can see that Barclays did pay the funeral expenses in late November 2016.

I don't think it's for this service to determine in which order debts are paid. But I agree with Mr and Mrs S that normally secured creditors take priority before funeral expenses, followed by unsecured creditors.

I don't think Barclays were wrong in trying to offset in circumstances where there is a related debt after funeral expenses have been paid. I also think the terms and conditions of Mrs S's late mother account set out the circumstances when it may take place. But I can see in those terms that Barclays says it will not offset if it thinks money is needed for important debts which must be given priority. I think that funeral expenses may be such a debt.

I'm satisfied the funeral expenses have been paid and the offset didn't take place before that. Barclays has confirmed that if Mr and Mrs S sign the indemnity form, they will not be liable for any of Mrs S's late mother's debts. It has also said it will use the remaining balance in the account to pay the credit card debt but will not pursue the balance if there isn't any money in Mrs S's late mother's estate.

In summary, I think Barclays could've dealt with Mr and Mrs S's concerns far quicker than it did. But I don't uphold the complaint as the funeral expenses were paid, and setoff didn't take place before that. So the question of which debts or expenses be paid first no longer arises or the liability issue of the debts, as Barclays has confirmed Mr and Mrs S are not liable.

### **my final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs S to accept or reject my decision before 10 March 2017.

David Singh  
**ombudsman**