

## **complaint**

Ms C's complained that Lloyds Banks Plc closed an account without her authority.

## **background**

Ms C and her two brothers, Mr C1 and Mr C2 were the executors of their late mother's will. They opened an account with Lloyds for their mother's estate in 1987. In 1988, Lloyds wrote to her to say Mr C2 was acting as the sole executor and it would only correspond with him. She accepted the arrangement. In 1998, she received her share of her mother's estate. She heard nothing more about the account.

In 2017, Mr C2 sadly passed away. Mr C1 had passed away earlier. Ms C was left as the last surviving executor and account signatory.

Mr C2's wife contacted Ms C asking her to transfer the funds in the estate account to her personal account. Her sister-in-law said Lloyds had told her she was the only one who could authorise the transfer. Ms C was shocked. She believed Lloyds had closed the account in 1998 when the estate was wound-up. She was also worried because, as a US citizen, she was obliged to disclose the account to the tax authorities.

She contacted Lloyds. She asked why it had kept the account open. She also asked for the statements. And she asked how much money was in the account. She told it, in a letter of 20 February 2017, she'd be happy to 'sign off' the account if it could provide her with this information. Lloyds told her she needed to provide notarised identification documents before it would supply her with this information.

But while she was sorting this out, Lloyds closed the account and paid the balance of £20,000 to her sister-in-law. It hadn't sent her the statements she'd asked for and it hadn't answered her questions about the account.

Ms C complained to Lloyds. She said she believed it had acted fraudulently by keeping the account open after the estate had been wound up. And she said she'd never authorised it to close the account or pay the balance to her sister-in-law. She asked it for copies of her brother's will and the bereavement form her sister-in-law signed.

Lloyds said it hadn't done anything wrong. It said:

- Mr C2 hadn't asked it to close the account
- Mr C2 continued to use the account for deposits and payments until his death
- her letter of 20 February authorised it to close the account
- it believed the money in the account belonged to Mr C2 and was his share of their mother's property.
- Mr C2's wife was the main beneficiary under his will and she was entitled to the money in the account
- Mr C2's wife signed a 'bereavement form' or indemnity and provided it with copies of the death certificate and Mr C2's will.
- Ms C said she wasn't out of pocket and only wanted relevant documents for the US tax authorities.

It said it wasn't obliged to disclose the bereavement form or will to Ms C but it offered to write a letter for the tax authorities explaining what had happened.

It offered her £200 for closing the account.

Ms C wasn't happy with this response so she brought her complaint to this service.

Our adjudicator understood why Ms C was upset but he said he didn't think Lloyds had done anything wrong. He said there was nothing to stop Mr C2 keeping the account open and using it for his own purposes. And he said Lloyds were entitled to correspond only with him if he had assumed sole responsibility for the estate.

He also considered Ms C's letter of 20 February was a good enough authority to close the account anyway. But he thought Lloyds provided her with a poor service when it failed to give her the information she requested.

He asked Lloyds to provide her with a letter explaining what had happened and to pay her £400 for the trouble and upset it caused her. Lloyds agreed to do this.

Ms C wasn't happy with this outcome so this case has come to me for a final decision. She wants the information she's asked for and she wants to recover the balance paid to her sister-in-law.

I issued a provisional decision on 8 February 2018. In summary, I said:

- I didn't think Lloyds had acted fraudulently keeping the account open
- on the face of it, the funds belonged to her mother's estate
- I didn't think the letter of 20 February was sufficient authority to close the account
- Lloyds hadn't shown it had a clear authority to close the account and pay the balance to Mr C2's wife.

I asked Lloyds to:

- provide Ms C with a full set of account statements
- provide a letter giving a full explanation of her involvement with the account, when it ceased, why and the basis on which it closed the account
- continue to assist her with her disclosure to the US tax authorities
- pay £600 for her trouble and upset.

I invited representations from Ms C and Lloyds.

Ms C hasn't responded.

Lloyds agreed to provide Ms C with a full set of account statements, a letter giving a full explanation of her involvement with the account, when it ceased, why and the basis on which it closed the account. It said it couldn't assist with her disclosure to the US tax authorities because it can't give US tax advice but it hopes the statements and letters provide sufficient information for the tax authorities.

It said it thought its offer of £400 for her trouble and upset was reasonable. It said it took into account the emotional impact on her of having to be reminded of her family. It also said the minor clerical errors that occurred didn't warrant a payment of £600. And besides, Ms C stated on more than one occasion that she wasn't seeking financial recompense.

## **my findings**

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

Lloyds has agreed to provide the information, which Ms C says she needs for the US tax authorities. I realise it can't advise on her tax status. I'm suggesting that it continues to co-operating with her, should she require additional information.

I've reconsidered my original award of £600. I agree it's on the high side.

But I don't consider Lloyds' mistakes were minor clerical errors. It paid out money from an estate account to a third party, who wasn't an executor or beneficiary. I think that's a serious error. And originally, Lloyds refused to disclose Mr C2's will and the bereavement form (which we now know wasn't executed properly).

I can't give advice on US tax status but I can see Lloyds' error has created considerable problems for her. So, I'm awarding £500 for the trouble of having to sort out the documentation and the emotional upset.

## **my final decision**

My final decision is I'm asking Lloyds Bank Plc to:

- provide Ms C with a full set of account statements
- provide a letter giving a full explanation of her involvement with the account, when it ceased, why and the basis on which it closed the account
- pay £500 to Ms C for her trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 9 April 2018.

Razia Karim  
**ombudsman**