

complaint

Mr D and Ms G are executors of their late father's estate. They complain the Leeds Building Society failed to issue tax certificates for their late father's account. This caused inconvenience as they had to recalculate the inheritance tax payable on their late father's estate.

background

Mr D and Ms G became executors of their late father's estate in early April 2014 following his death in late 2013. In February 2015 they received a voting form for an account with the society. They contacted it and discovered their late father had an account which they didn't know about. They complained that had the society issued a tax deduction certificate for the account they would've known about it and included it in the calculation for inheritance tax. They said they'd been put to inconvenience in redoing the calculation when they found the account.

The society checked its records and said that their late father had elected to receive annual tax deduction certificates. These had been issued for each tax year since 5 April 2012. The society said it'd issued a certificate for the tax year ended 5 April 2014 which would've been the first since their late father's death.

Mr D and Ms G said they hadn't received the certificate. They questioned whether it'd ever been sent as local society staff told Mr D they weren't usually issued for passbook accounts.

The adjudicator didn't uphold the complaint. She said she thought the society had issued the relevant tax deduction certificates but wasn't responsible if they weren't received. When Mr D and Ms G notified it of their late father's death it promptly issued duplicate certificates. The adjudicator didn't think the society had done anything wrong.

Mr D and Ms G didn't agree. They said that it was unlikely that tax certificates had been lost for each year since 2012.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. While I'm sorry to disappoint Mr D and Ms G, I agree with the adjudicator for much the same reasons.

It can be difficult for relatives to find all relevant papers after the death of a loved one. But I think the need to recalculate the inheritance tax was caused by the missing passbook and not the missing tax certificate. But it wasn't the society's fault that Mr D and Ms G didn't find the passbook when they were sorting their late father's affairs.

A tax certificate might've alerted Mr D and Ms G to the account but it would've had to arrive before the tax calculations were done. I've seen the society's records and I think the tax deduction certificates were sent as it said. I can't explain why Mr D and Ms G didn't get the 2014 certificate but the society can't make sure they arrive once they are posted. I think the society was helpful and reacted promptly when advised of the death of their late father. So I don't think the society did anything wrong.

I think it's unfortunate local branch staff told Mr D that tax certificates aren't sent out. But even if this was correct it wouldn't have made any difference without the passbook.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Ms G to accept or reject my decision before 9 November 2015.

Colette Bewley
ombudsman