

The complaint

The estates of Mr and Mrs C complain that Barclays Bank UK Plc ("Barclays") has failed to refund money taken by a third party from their bank accounts following their deaths.

This complaint is brought by the executor of Mr and Mrs C's estates ("Mr A"). For ease of reference, I will refer to Mr A as the complainant throughout this decision.

What happened

Mr and Mrs C both passed away in June 2018. Mr A, as the executor of their estates, paid for their funerals on 2 July 2018. However, he said it wasn't until 2020 that he discovered an unauthorised third party (Mr A's niece) had closed Mr and Mrs C's accounts and also claimed to have paid for their funerals, which led to Barclays wrongfully paying money out of the account to the funeral director and to his niece, which Mr A says the bank had no authority to do.

Barclays explained that, following Mr and Mrs C's death, it was approached by Mr A's niece who reported the deaths and provided the relevant documentation, closure forms and ID to have the funerals paid for and estate proceeds released. Barclays said it was unaware that Mr A was the executor of the estate at the time as it didn't have a grant of probate. By the time it received the grant of probate showing Mr A as the rightful executor, Barclays had already paid the estate proceeds to the funeral directors and the balance of the accounts, totalling £779.54, to Mr A's niece.

Mr A complained as he was told to obtain a grant of probate, and that upon submitting this he would receive the total amount held in Mr and Mrs C's accounts at the time of their deaths, which totalled £25,980.46. However, Mr A complained when he discovered that Barclays had already released the estate proceeds without his authorisation.

Barclays said it hadn't done anything wrong, as it had paid the funeral costs in line with its bereavement process as it had received sufficient documentation from a family member claiming to be Mr and Mrs C's representative, and it wouldn't have known an executor had been appointed. Unhappy with this, Mr A referred the matter to our service.

Following the involvement of our service, Barclays agreed that the residual amounts remaining in Mr and Mrs C's accounts should have been paid to Mr A as the executor. And it also came to light that £3,150 had been withdrawn from the accounts after their deaths by someone other than Mr A. So, Barclays offered to pay Mr A a total of £3,929.54, consisting of the original residual balance of £779.54 left in the accounts, plus the £3,150 that had been withdrawn by the unauthorised third party.

Our investigator considered the matter and thought that Barclays' settlement offer was fair. She didn't think it had acted incorrectly by paying the funeral invoice based on the documentation it had received, but she said the balance of Mr and Mrs C's accounts should have been paid to Mr A as the rightful executor, which is what Barclays was now offering to do. So, she didn't think Barclays would need to pay anything over and above this to the estates. Mr A disagreed, so the matter has been escalated to me to determine.

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.

Having done so, I agree with the conclusions reached by the investigator as I'm satisfied Barclays' offer to put things right is fair in all the circumstances. I'll explain why.

As I've outlined above, Barclays has now offered to pay the balance remaining in Mr and Mrs C's accounts after the funeral invoice was paid. So, it's no longer in dispute that this amount is owed to the estate, as Barclays has conceded that Mr A's niece was not the rightful recipient. I've therefore considered whether it acted correctly by paying the funeral costs (amounting to £21,865) to the funeral director.

Mr A submits that Barclays had no proper authority to pay the funeral invoice as the instruction did not come from him as the executor. However, I'm satisfied it received enough information and documentation to pay the invoice. Barclays wouldn't have known that Mr A's niece was not acting as a representative for Mr and Mrs C following their passing. Indeed, she signed a form stating that she was:

"I am entitled, either solely or with others, to the balance(s) in the deceased's account with the Barclays group"

"I give this indemnity both in my personal capacity and as the Deceased's personal representative".

And in light of the amount of money left in Mr and Mrs C's accounts when they died, I don't think it was necessary for Barclays to insist on a grant of probate at that stage. It's common practice for banks to release the funds of a deceased person's account without requiring such formal documentation as a grant of probate, to assist with expenses such as funeral costs, so long as they have received sufficient documentation to be satisfied that the person requesting the funds has authority to receive them. Indeed, Barclays' bereavement guide on its website also sets this out:

"Funeral and Tax payments

If there's a funeral bill or an inheritance tax invoice to pay, we can pay them using money in the account of the person who's passed away – so long as there's enough to cover the costs".

I can see that Mr A's niece provided all the required documentation to have the funeral costs paid. This included the account closure forms, death certificate, identification, and funeral invoice. This sort of documentation would not typically be in the possession of someone who was not acting on behalf of the estate or organising the funeral. So, I don't consider Barclays has acted unreasonably by paying the funeral costs in line with this, as there was nothing to suggest that any of the documentation provided had been submitted fraudulently, nor that Mr A's niece had no authority to request payment of the invoice.

I appreciate this means Mr A is now out of pocket of the funeral expenses he already paid, and that he is now unable to recoup the money Barclays paid to the funeral director, as it has since been passed on by the funeral directors to Mr A's niece, who now won't return the money to the estate. But I'm afraid this is something Mr A will need to pursue with the funeral directors or his family member directly, as I don't consider Barclays acted unreasonably by paying the funeral invoice based on the information it had been provided. So, I'm not persuaded it would be fair for Barclays to pay this money again to the estates, as Mr A can

seek to recover the money taken by his niece through the appropriate legal channels if she has wrongly taken receipt of the estates' money from the funeral director. Given this is a civil matter between these parties, it is not something I would expect Barclays to become involved in or assist with either.

Therefore, while I fully appreciate why Mr A thinks Barclays should pay the £25,980.46 he was expecting, I don't consider it would be fair and reasonable to ask the bank to do this, as it has effectively already paid this money to the estate when it paid the funeral costs for both Mr and Mrs C.

Mr A is also unhappy that Barclays asked him to obtain a grant of probate after he claimed to be the executor and rightful recipient of the funds. I appreciate that the total value of Mr and Mrs C's accounts would not typically require a grant of probate in order to claim whatever money was remaining. However, in this instance, there was a dispute over who was rightfully entitled to the proceeds of the accounts, as someone else had already signed forms saying they were the deceased's personal representative. Therefore, I don't think it was unreasonable in such circumstances for Barclays to request a grant of probate after Mr A claimed to be the executor, as this would definitively show who the courts deem to have the role of administering the estates. And it is because Mr A was able to produce a grant of probate that Barclays is now paying the residual amounts left in the account to him after it had already been paid to his niece.

I also understand that Mr A is unhappy about being told he would receive the total proceeds of the estate (£25,980.46) upon obtaining the grant of probate. However, Barclays has now offered to pay the residual amount remaining in the estate (taking account of the funeral costs it has paid). I understand it is not the full amount Mr A was told to expect, but I've already set out the reasons why I don't think Barclays needs to pay this total amount to him, as he will need to seek to recover the remaining funds from his family member.

I appreciate Mr A wants this service to request copies of the phone calls he had with Barclays to show that it told him he would be paid £25,980.46. But I don't consider it necessary to listen to these calls to fairly determine this complaint. I say this because, even if Barclays *did* mistakenly tell Mr A that he would receive the full £25,980.46 upon providing the grant of probate, it doesn't mean it would be bound to pay it, and I don't consider it would be fair and reasonable in the circumstances of this case to expect Barclays to pay it either, given I'm not persuaded it made a mistake by paying the funeral costs in the first place.

I appreciate this will likely come as a disappointment to Mr A, and I understand his strength of feeling about his complaint. However, much of the issues raised here seem to ultimately be connected to the conduct of his family member in wrongly taking the money from the funeral director, rather than any wrongful act that Barclays can fairly or reasonably be held responsible for.

My final decision

Barclays Bank UK Plc has made an offer to pay the residual amounts remaining in Mr and Mrs C's accounts to their estates (taking account of the unauthorised cash withdrawals), less the amount Barclays paid to the funeral director – totalling £3,929.54.

I conclude that this settlement offer is fair in all the circumstances. My decision is that Barclays should pay this amount to the estates of Mr and Mrs C (if it has not done so already, within 28 days of receiving Mr A's acceptance of this decision).

Mr A should note that if he accepts my decision, it will be legally binding on all parties, and he probably then wouldn't be able to take legal action over this matter for additional

compensation. If, however, he rejects the decision, although his legal rights will remain intact, it will purely be a matter between Mr A and Barclays as to whether the £3,929.54 offer still remains open for acceptance. Strictly speaking, an offer is not binding on the offeror after rejection of it has been communicated.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estates of Mr and Mrs C to accept or reject my decision before 25 January 2024.

Jack Ferris
Ombudsman