

The complaint

Miss C has complained that Tesco Personal Finance PLC trading as Tesco Bank ("Tesco Bank") allowed a joint account holder to take money out of a savings account.

What happened

Miss C had a savings account with Tesco Bank. The account was held in joint names between her and her ex-husband, but only Miss C was actively using the account.

Miss C noticed that she didn't receive a statement for November and December 2022 and that she was unable to log in via her online banking. However, when Miss C received a statement for January 2023, she could see that money had been removed from the account.

Miss C contacted Tesco Bank, who explained that it had acted in line with the terms and conditions related to joint accounts and allowed the other joint account holder to make transfers out of the account, as they were entitled to do.

Miss C complained to Tesco Bank because she was unhappy that Tesco Bank had allowed the joint account holder to access the account. Miss C had ended her relationship with the other account holder and so said they should not have been allowed to access her money. Miss C has explained that there were Court Orders in place between Miss C and her ex-husband.

Tesco Bank responded to Miss C's complaint on 1 February 2023, explaining that unfortunately, it wasn't aware of the situation between Miss C and the other joint account holder, so wouldn't have been aware that he shouldn't have been able to access the account. Tesco Bank explained it had allowed the activity in line with the terms and conditions of the account, so wouldn't be upholding the complaint.

After Miss C referred her complaint to this service, one of our investigators assessed the complaint. Although the investigator was very sympathetic to Miss C's circumstances, they were unable to say that Tesco Bank had acted incorrectly or unfairly by allowing the other joint account holder to transfer money out of the account.

Miss C didn't accept the investigator's assessment, so the matter was referred for an ombudsman's decision.

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 reviewed everything, I'm unable to uphold this complaint, for largely the same reasons that the investigator provided. I will explain why.

As both Tesco Bank and the investigator have explained, joint account holders are jointly and severally liable for a joint bank account. This also means that either account holder can pay money in and pay money out of a joint account without involving the other joint account

holder – indeed as Miss C has done for a number of years since she split up with the other joint account holder. This is reflected in the account terms and conditions which say:

“How do joint accounts work?”

*Either one of you can discuss the account with us or take decisions about it.
That means that either one of you will be able to withdraw all of the money in your account, unless you tell us otherwise.”*

Miss C says she had an informal agreement with the other account holder that he would no longer use the account. This resulted in the account remaining as a joint account. But unfortunately, this meant that as long as the other joint account holder's name remained on the account, he was still entitled to withdraw money from the account in question - and that was the case, even if all of the money held in the account had been paid in solely by Miss C.

I recognise that Miss C had split up with the other joint account holder, in what sounds like very horrible circumstances. In such situations, the account terms and conditions say that:

“If we become aware of a disagreement between the joint account holders we will block the account and contact you both to tell you we have done this. We will then need agreement from both of you before we can remove the block on the account.”

However, from all of the evidence that I have seen, it doesn't seem that Miss C ever made Tesco Bank aware of her situation or that she disputed the other account holder having continuing access to the account. At most, it sounds like Miss C may've questioned if she could remove the joint account holder – but Miss C says she was told that she'd need the consent of the other joint account holder to do that, which is correct. Indeed, had it been the other way round and the other joint account holder wanted to remove Miss C from the account, I'm sure Miss C can understand why Tesco Bank would need to get her consent first, before allowing her removal from the account.

Miss C has said that Tesco Bank should've stopped the transfers that the other account holder made, on account of them being unusual. However, although I appreciate that the other account holder may not have made any transactions on the account for a number of years, he was still entitled to make such transactions.

From Tesco Bank's perspective, it would've simply appeared that one of the joint account holders had decided to withdraw funds from a savings account and asked to close the account. This in my view is not unusual. I appreciate from Miss C's perspective and given what she'd experienced, the request to withdraw the money from the account could've been viewed as unusual. But Tesco Bank was not aware of the difficult circumstances she'd experienced and so didn't have the benefit of her knowledge to have known any different. I also don't think that the other joint account holder having a different address ought to have prompted Tesco Bank to question whether Miss C was happy for the other account holder to still use the account.

Had Miss C told Tesco Bank about the situation, it would've likely prompted Tesco Bank to follow its joint account disagreement process. I realise that Miss C may not have thought that she needed to tell Tesco Bank that she didn't want the other account holder to use it. But without doing that – I can't see any reason that it could have fairly had cause for concern about anything that was happening on the account.

Finally, I note that Miss C says she didn't receive statements from the account in October and November 2022 and so wasn't aware of the transactions. However, even if Miss C didn't

receive the statements in question, that doesn't change the fact that the other account holder was able to make the transfers out of the account.

Overall, I have a great deal of sympathy for Miss C's circumstances. But for the reasons I have outlined above, I can't say that Tesco Bank is at fault, essentially because it allowed an account holder to remove funds from an account in their name. It is the case that I can't reasonably hold Tesco Bank responsible because Miss C never got round to removing the other account holder from her account.

My final decision

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 8 January 2024.

Thomas White
Ombudsman