

The complaint

Mr S1 complains as representative of the estate of Mr S, his late brother, that the Royal Bank of Scotland Plc (RBS) delayed transferring estate monies to an interest bearing account and that it refused then to transfer them to a higher interest account.

What happened

Mr S passed away in August 2022. At the time he held substantial funds with RBS, most of which were in a non-interest bearing account. The estate's solicitor asked if the funds could be transferred to an interest bearing account. RBS did this, but Mr S1 wanted the funds to be transferred into an account that had a higher rate of interest. RBS declined to do this.

RBS said that it is not its policy to move funds between late customers' accounts. When this was eventually done, it would have been done as an exception, or gesture of goodwill. It received the request from the solicitor on 24 October 2022 and moved the funds on 27 October. And it said the bank doesn't open new accounts for deceased customers.

A certificate of confirmation, appointing Mr S1 as executor of the estate, was issued on 24 April 2023 and the estate wound up and the funds released to Mr S1 on 10 May 2023.

Mr S1 referred his complaint to the Financial Ombudsman Service, advising that he required compensation for the estate for its loss of interest.

Our Investigator did not think that RBS had acted inappropriately. It was not its policy to move funds between accounts but had acted here as a gesture of goodwill. It was also not obliged to take any action until the estate was settled.

Mr S1 did not agree. He pointed out that RBS did in fact move the funds which showed that it could have carried out his request if it had wanted to. He felt that it had a legal obligation to carry out his request as legal representative of the estate.

The matter has been passed to me for an Ombudsman's consideration

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.

As our Investigator has pointed out, Mr S1 complains in his capacity as executor of his late brother's estate. I can't award him compensation directly but the estate itself can suffer financial loss, but RBS would only be liable for any loss if the estate's complaint is upheld

On the question of the delay in actioning the request, this was made by the solicitors on 24 October 2022. I can see some indication in RBS' file that a previous request was made around about 29 September. RBS moved the non-interest bearing funds to an interest bearing account on 27 October 2022. I don't think there was any substantial delay here.

The most important point to note is that the certificate of confirmation which appointed Mr S1

as executor was not issued until 24 April 2023. Unfortunately until then Mr S had no authority to require the bank to take any action with the funds in the estate. Normally speaking any such funds will not be accessible until the bank receives the said certificate of confirmation.

Mr S makes the point that RBS did in fact move the funds, despite it saying that it was not its policy to do so. First of all, bearing in mind what I said about the authority to require the bank to take action, I think that RBS' general policy that it does not move funds between deceased accounts is reasonable. The fact that it did so in this case was done as a gesture of goodwill, but it isn't something it's required to nor can be required to do

From my point of view I think that RBS' actions were fair and reasonable, so I can't require it to take any further action.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S1 as executor of the estate of Mr S to accept or reject my decision before 5 February 2024.

Ray Lawley
Ombudsman