

The complaint

The estate of Mrs P (“the estate”) is unhappy that Al Rayan Bank PLC didn’t transfer the estate’s funds into a profit-incurring account after a fixed term deposit matured.

The estate of Mrs P’s complaint is brought to this service by its executor, whom I’ll refer to as ‘Mr X’.

What happened

The late Mrs P held a fixed term deposit with Al Rayan which was due to mature on 4 October 2021. Sadly, the late Mrs P died before this date, with Al Rayan being notified of Mrs P’s death in July 2021.

In January 2023, Mr X raised a complaint with Al Rayan on behalf the estate because he was unhappy that when the fixed deposit did mature on 4 October 2021, Al Rayan didn’t transfer the matured funds to a profit-incurring account. Instead, Al Rayan held the money in a non-profit-incurring account until January 2023, when Mr X, in his role as the estate executor, instructed Al Rayan to move the estate’s money to a more beneficial account.

Al Rayan responded and explained that their process when an account holder has died before a fixed term deposit matures is that any existing maturity arrangements agreed with the deceased person are void and that they require an instruction from the executor of the estate. And Al Rayan further explained that Mr X had refused to comply with their verification process to enable him to be confirmed by them as the executor of the estate until December 2022, which meant they didn’t receive a viable instruction until that time.

However, Al Rayan did accept that when Mr X did provide a viable instruction to move the estate’s money on 29 December 2022, that instruction wasn’t actioned by them until 9 January 2023. Al Rayan apologised to Mr X for this and backdated the profit that the estate’s money had incurred to 29 December 2022. Mr X wasn’t satisfied with Al Rayan’s response, so he referred the estate’s complaint to this service.

One of our investigators looked at this complaint. But they felt that Al Rayan’s response to the estate’s complaint, including the explanation of why they had moved the estate’s money to the non-profit-incurring account that they did, already represented a fair resolution to the complaint. Mr X remained dissatisfied, so the matter was escalated to an ombudsman for a final 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 done so, I’d like to begin by confirming that this service isn’t a regulatory body or a Court of Law and doesn’t operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or

unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

In their response to the estate's complaint, Al Rayan explained that when a fixed term account matures, their process is to act on the instructions provided to them by the authorised account signatory, and that if no viable instruction is provided to them that the matured funds will be held on a non-profit-incurring holding account until a viable instruction is provided.

Additionally, Al Rayan also explained that Mr X refused to follow Al Rayan's process to validate himself as the executor of the estate. And that because of this, Mr X wasn't able to provide an instruction which Al Rayan could act upon until he did eventually follow the required process.

Ultimately, Al Rayan's explanation as summarised above seems both fair and reasonable to me. And so, it follows that I won't be upholding the estate's complaint that Al Rayan didn't move the estate's money to a profit-incurring account upon maturity of the prior investment.

Mr X has explained that feels that Al Rayan's process the led to the estate's money being moved to a non-profit-incurring account upon maturity is unfair. But I'm satisfied that it's for Al Rayan to set their own policies and processes. And I'm also satisfied that Al Rayan have acted in accordance with their process.

I also feel that Mr X himself could reasonably have mitigated against what happened here by complying with Al Rayan's executor verification process – which it appears he didn't do for over a year – sooner than he did. And if Mr X had complied with Al Rayan's process when he was first asked to, then this would have enabled Al Rayan to accept an instruction from him as the estate executor to move the estate's money to a more beneficial account at a much earlier time.

I'm aware that Mr X feels that Al Rayan didn't explain matters specific to the estate to him as he would have liked them to during the majority of the time in question. But Al Rayan have explained that this was because Mr X hadn't verified himself as an account executor to their satisfaction, and as such he wasn't entitled to any detailed information as he would have liked. And again, Al Rayan's position here seems reasonable to me.

Finally, I note that Al Rayan have acknowledged that when they did receive a viable instruction from Mr X to move the estate's money on 29 December 2022, that they didn't move the estate's money until 9 January 2023. And Al Rayan have accepted that this led the estate not incurring profit on its money for the period 29 December to 9 January – calculated to be £29.29 – as it reasonably should have.

Because of this, Al Rayan offered to make a payment of £100 to the estate to cover this missed profit and provide some financial compensation for the inconvenience incurred by the estate in bringing this specific matter to them. This seems like a fair outcome to me, and I won't be instructing Al Rayan to take an further or alternative action beyond this.

All of which means that, while I will be upholding this complaint in the estate's favour, I'll only be doing so on the limited basis to instruct Al Rayan to make the £100 payment to the estate that they've already offered to pay. I realise this won't be the outcome Mr X was wanting, but I hope he'll understand, given what I've explained, why I've made the final decision I have.

Putting things right

Al Rayan must make a payment to the estate of £100.

My final decision

My final decision is that I uphold this complaint against Al Rayan Bank PLC on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs P to accept or reject my decision before 17 January 2024.

Paul Cooper
Ombudsman