

The complaint

S, a trust, complains about the way Skipton Building Society dealt with its application for an account and its subsequent request to add a trustee to the account.

S has been represented in this complaint by one of its trustees, Mr R.

What happened

S was set up many years ago, under a will. S's trustees opened an account with Skipton in 2022. The following year, S appointed a new trustee and sent Skipton their details. Skipton required S to complete a new account application form for the new trustee to be added.

Mr R says he'd kept a copy of the original application form, and copied the details from that. But Skipton said it couldn't accept the new application, as the beneficiaries didn't match those in the original trust document. It also explained that it doesn't offer accounts for trusts with beneficiaries or trustees living outside the United Kingdom.

When Skipton sent a copy of the 2022 application form to Mr R, he was shocked to discover that it didn't match the copy he'd kept. Only one beneficiary was shown on the copy that Skipton had, and that was the current life tenant of the trust property. In contrast, the copy he'd kept showed the life tenant and her children as beneficiaries. One of the named beneficiaries lives overseas.

S complained to Skipton, which said, in summary, that it's subject to legislation governing building societies, and to its own rules. It considers the life tenant to be the only current beneficiary of S, and says that her children will only benefit from the trust on her death. And it reiterated that it's not willing to offer a trust account if a beneficiary lives overseas. It offered £100 to cover the inconvenience experienced. Mr R said he considered that to be insulting and derisory. He closed S's account with Skipton and brought his complaint to this service.

Mr R says he completed and signed the original 2022 account application and made a copy of it before submitting the application at a branch of Skipton. He says there was no mention when the account was opened of Skipton's view that there was only one beneficiary, or of its policy against accounts with overseas beneficiaries. He says he's not aware of any law which prevents a beneficiary of a trust from living abroad. And he says the application form itself provides for overseas beneficiaries.

What's more, Mr R says it took a lot of time to gather the relevant details of the life tenant's children to enter on the application form, so he'd remember if the information had turned out not to be necessary, and the effort had been wasted. He says any alterations to the original application form should have been initialled. He believes that the only logical conclusion is that Skipton realised that the account had been opened in contravention of its own rules, and altered the original application.

Mr R thinks it's unreasonable that S had to complete a new account application when the new trustee was appointed. He's dissatisfied that he was only able to speak to branch staff

and call centres about the issues. He says the branch staff had very limited knowledge of trusts, and he had long waits each time he phoned the call centre, which was unable to answer many of his questions.

Mr R would like Skipton to reopen the account in accordance with the original application form. He'd like it to be held responsible for altering the application form without the trustees' consent, and for what he considers to have been very poor and insulting customer service. He'd also like Skipton to reassess the way it deals with its customers and to pay S substantial compensation for its handling of the situation.

One of our investigators considered the complaint but didn't think he could require Skipton to do more than it had already offered to do. In summary, he didn't think Skipton had been unreasonable in asking S to complete a new account application. He didn't think there was enough evidence to show that Skipton had altered the account application form without S's knowledge. He thought the £100 that Skipton had offered to S to apologise for the service it had received was fair, and he explained that we couldn't consider the way Skipton had handled S's complaint, as complaint handling isn't a regulated activity.

Mr R, on S's behalf, disagreed with the investigator's view, so the complaint's been passed to me.

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.

I've summarised S's complaint in less detail than the parties have, and I've done so using my own words. But in reaching my decision I've taken into account everything that both parties have provided. Where the evidence is incomplete, inconclusive or contradictory, I make my decision based on the balance of probabilities – in other words what I think's most likely to have happened, given the available evidence.

The parties disagree about who is currently a beneficiary under the trust. Skipton takes the view that there is currently only one beneficiary, and that's the life tenant. S disagrees and says that both the life tenant and her children are beneficiaries.

But I don't need to make a decision on that point. I'm satisfied that Skipton holds its view on the issue in good faith, and having reached that view, it was willing to offer S an account on the basis that the life tenant was the only current beneficiary of S.

Skipton's policy is not to open accounts for trusts which have beneficiaries living overseas. It's entitled to make that decision, and it's not for me to interfere with it. I'm satisfied that in the light of that policy, it wouldn't have been willing to offer S an account which named the life tenant's children as beneficiaries, as shown on the version of the application form that S has provided.

I don't accept Mr R's assertion that the application form implied that Skipton does, in fact, offer accounts to people who live overseas. It asks whether the beneficiary is tax resident only in the UK, and provides a space for them to insert details of any other countries in which they are tax resident. That doesn't, in my view, imply that Skipton is willing to offer accounts to people who don't live in the UK.

I think it unlikely, on balance, that Skipton altered the application form without the trustees' consent. I accept that the copy of the 2022 application form that Skipton has provided doesn't contain any initialled amendments. But rather than crossing out the details of the

beneficiaries, it appears that fresh pages were inserted, showing only the life tenant as a beneficiary. I'm not persuaded that I can fairly conclude that the fact that those pages weren't initialled by Mr R and his fellow trustee shows that they didn't agree to the content. I think it most likely that the form was amended with S's consent, after discussion with Skipton. And if S was unhappy with the fact that only the life tenant was named as a beneficiary on the account, it was free to open an account elsewhere.

It's Skipton's policy to require an account holder to complete a new account application when a new trustee is appointed. It's explained that this is to comply with data protection legislation, and to ensure that it has all relevant information about the new trustee and a record of the written consent of all parties involved. I don't consider that unreasonable, and it is, in any event, for Skipton to decide its policies on how to deal with such a situation.

As the investigator explained, our rules only allow us to consider complaints about regulated activities. Complaint handling isn't a regulated activity, so it isn't something we have the power to investigate. Skipton has acknowledged that its customer service caused S some inconvenience. It's offered to pay S £100 to settle the complaint. Having thought carefully about all the comments and evidence provided, I don't consider that I can reasonably require it to do more.

My final decision

My decision is that Skipton Building Society should pay S £100, as it has offered to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 10 September 2024.

Juliet Collins
Ombudsman