



12 January 2026

## Final report by the Complaints Commissioner

### Complaint number 202500444

#### *The complaint*

1. On 28 August 2025, you submitted a complaint to my office about the FCA.

#### *Background*

2. I am very sorry to hear that your stepmother passed away in November 2023. You are representing the estate as executor and have been progressing the finalisation of the estate which held a number of mortgages with Bank X (the “Bank”).
3. As part of your ongoing dealings with the Bank, I understand that it adjusted the correspondence address on its system in February 2025 to your address to ensure that you received the correspondence relating to the estate rather than it going to the mortgaged property address. This then led to confusion that the mortgaged property address was your address instead of your late stepmother’s.
4. This error led to the Bank issuing you with a series of warning letters over several weeks for non-payment of the outstanding balance of the mortgages. The final letter sent to you in March 2025 (detailing your address as the property address and not your late stepmother’s property) stated that due to non-payment of the outstanding balance, legal action could start in 15 business days that may have resulted in the repossession of your property. You allege this caused you significant distress as well as financial loss as you had to take time off work to resolve the issues. These letters were undoubtedly upsetting to receive at an already difficult time for you.

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5. You raised a complaint with the Bank in your capacity as executor of the estate. The Bank acknowledged that it had made an administrative error in incorrectly listing your address as the mortgaged property in the letters. It confirmed that there was no charge on your property so it would not take any action. The Bank offered to pay £500 compensation to the estate to acknowledge the impact that the error had caused.
6. You disagreed with this on behalf of the estate and referred the matter to the Financial Ombudsman Service (“**FOS**”). FOS was sympathetic to your situation, finding that there had been a clear lack of communication from the Bank which had made an already difficult time for you increasingly more stressful. The Bank had made avoidable errors and should have provided a better service. However, FOS stated that it could not award you compensation for distress and inconvenience you experienced personally as you were not a direct customer of the Bank and therefore not an eligible complainant. This is because as an executor of an estate you do not fall within the definition of an ‘eligible complainant’ under the FCA’s Dispute Resolution (“**DISP**”) rules as you are not a customer of the Bank itself.
7. You complained to the FCA about this issue and raised whether the definition of ‘eligible complainant’ could be amended to include executors dealing with an eligible complainant’s estate.
8. The FCA responded that it could not investigate your complaint as it did not relate to the FCA’s ‘relevant functions’. Relevant functions include, for example, the FCA’s authorisation, supervision and enforcement powers and duties. Expressly excluded from the definition of ‘relevant functions’ is anything arising from the FCA’s exercise of legislative functions or standards review functions. Legislative functions include the making of rules and the issuing of general guidance. Amending the definition of ‘eligible complainants’ would involve adjustments to the DISP rules and related legislation, and this would constitute rule-making which is excluded from the Complaints Scheme.
9. FOS can suggest and direct compensation awards to eligible complainants but in instances where the eligible complainant is deceased, and the events of the complaint have taken place following their passing, FOS cannot award

compensation for distress and inconvenience to an executor in their personal capacity or on behalf of the estate in accordance with the FCA's DISP rules.

The effect of this is that executors do not unfortunately have any recourse against a firm and cannot be awarded compensation from FOS if they encounter distress and inconvenience personally when dealing with a bank during the administration of the estate. For example, executors do not have any recourse to a firm for service failings such as administrative delays, poor communication, lost forms, incorrectly addressed correspondence or general annoyance or upset.

10. FOS can consider if financial loss has occurred to the estate. You have suffered financial loss as you have taken time off work to resolve the issue, however, FOS found that this was a direct impact on you and not the eligible complainant (the estate) so it could not award you compensation for financial loss.
11. The Bank awarded the estate £500 as a goodwill gesture under its complaint scheme for the administrative errors. I have not seen sight of the Bank's complaint scheme so it is unclear if under that scheme you could have personally complained for poor service whilst dealing with the Bank in relation to the estate. Even if that was possible, if the Bank chose not to award you any compensation, the FOS would not be able to compel the Bank to pay you any compensation personally or make a FOS award for your distress and inconvenience due to the definition of 'eligible complainant'.
12. I agree with the FCA that this issue falls within the definition of rule-making and I therefore cannot make a determination as it is excluded from being considered by me under the Complaints Scheme.
13. Notwithstanding this, I made the suggestion below to the FCA as you have raised an important point and the FCA may wish to consider how to address the apparent lack of recourse to FOS for executors when they are handling the estate of a deceased person who would have been an eligible complainant.
14. If you have not already done so, you may wish to raise a potential data protection breach with the Bank due to it using your personal data incorrectly. If you are unhappy with any response you receive you may be able to refer your complaint to the Information Commissioner's Office which deals with complaints

about data protection and information rights. Data protection and information rights issues are outside of my remit.

### *Suggestion*

15. Under the current regulatory framework, there is a specific gap in protection for executors. Executors are legally required to deal with specific firms when administering an estate and may personally suffer distress, inconvenience or financial loss if a firm provides poor service. Unlike ordinary consumers, executors cannot choose the firm they must engage with, nor can they avoid the interaction, as they inherit the deceased's financial relationships. Despite this, executors are not treated as consumers and therefore have no personal right of redress through the FCA or FOS. I asked the FCA if it could consider whether targeted guidance or protections are appropriate for this defined group in light of the issues described above.
16. The FCA has responded to acknowledge my suggestion but has explained it is not in a position to take action. It has said that the complaint "*does not constitute a type of complaint that the Financial Ombudsman is intended to consider under the Financial Services and Markets Act 2000 (FSMA). The Financial Ombudsman is intended to provide a free and informal avenue for the resolution of complaints between authorised firms and their customers. It is not able to consider wider complaints from all individuals dealing with authorised firms but only those from their customers. The eligibility rules in DISP 2.7 reflect this policy intent and set out the range of relationships which can give rise to a direct or indirect customer relationship with a Firm. In [Mr X]'s case, the customers of the Firm were the estate (representing the rights of the deceased customer) and therefore the beneficiaries (to whom the estate is due to be passed), qualified as eligible complainants under DISP 2.7.6R. [Mr X] was not a customer of the respondent bank and his own complaint, as representative of the estate, is not one the Financial Ombudsman could consider. Our powers to decide which complaints the Financial Ombudsman can consider under its compulsory jurisdiction, are not framed in a way that would allow us to extend the Financial Ombudsman's jurisdiction to complaints from customer representatives acting in their own capacity (i.e. not on behalf of the customers they represent). As set out in the [explanatory notes](#) of FSMA, in respect of the*

*provisions creating the Financial Ombudsman, the intention was “the creation of a single, compulsory ombudsman scheme for the resolution of disputes between authorised firms and their customers”. DISP 2.7.6R reflects this policy intent and the way FSMA frames our power to designate customers of an authorised person as eligible complainants”.*

17. In response to the FCA’s comments, although rule-making is outside of my remit and I make no findings on this issue, I consider it appropriate to record an observation. I recognise the complexity of the position and that the FCA has given detailed consideration to it. However, the issue that has arisen as part of this complaint cannot be characterised as marginal. Executors are required to engage extensively with financial services firms in administering estates and this is not something they can avoid. The FCA’s position is that executors act on behalf of the estate and ultimately the beneficiaries. Yet this creates a practical tension. The beneficiaries, who may be eligible complainants, are not in a position to deal directly with firms, while executors, who must deal with firms, have no personal right to complain. Unless executors can be properly treated as bringing complaints as agents for eligible complainants, there appears to be a gap in effective access to redress. Whilst I cannot determine this as a matter of policy, I consider it appropriate to draw attention to this issue and I will raise it with the Financial Services Consumer Panel. I also suggest you raise this with your MP who may be able to advocate for a change in legislation. I am aware that the FCA has, on occasion, sought changes to legislation where it has considered this necessary. I therefore ask that the FCA keep this issue under review with that possibility in mind.

#### *Other*

18. Whilst you have not raised this specific issue with me directly, my review indicates that the FCA has taken account of the matters you experienced with the Bank as part of its wider regulatory work. The FCA considers information from individual complaints that complainants have with their financial services providers, but only to assess whether regulatory action may be warranted. The FCA does not determine whether an individual should receive redress. Your personal remedy lies with the FOS, which you have already approached.

*Decision*

19. For the reasons set out above, your complaint is excluded from the Complaints Scheme, but please note the observation I make in paragraph 17 above.

*The Complaints Commissioner*

Complaints Commissioner

12 January 2026