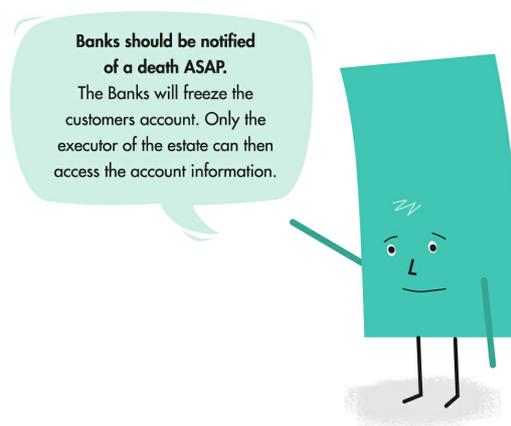


Deceased customers' accounts

Complaints typically concern disclosure of information about a deceased person's accounts (because banks consider those requesting the information are not entitled to it) and changes to accounts before a person's death that affect who owns the money in them.



A bank will freeze a deceased customer's individual accounts when notified of the death. This includes transactional accounts, term deposits, credit cards and loans.

Banks won't necessarily know that a customer has died, so it is important to notify the bank as soon as possible. Anyone can notify the bank but typically this responsibility would fall on the next of kin or the estate representatives. The bank may ask for identification from the person notifying the bank as well as a copy of the death certificate.

Instructions

A bank can take instructions about a deceased person's accounts only from someone authorised to act on behalf of the deceased's estate. As well, it can give information about the accounts only to those entitled to request it. That's because a bank's duty of confidence to customers does not end with their death. (See also our guide on privacy and confidentiality.) This means next of kin and estate beneficiaries cannot give instructions to a bank or require a bank to give them information about a deceased person's bank account. It also means we can rarely look into complaints about a deceased customer's accounts from anyone other than the executor or administrator of the estate.

The legal process is usually to obtain probate or letters of administration from the High Court. This allows executors or administrators to deal with the deceased's property, including his or her bank accounts.

Having obtained probate or letters of administration, an executor or administrator will typically set up an account called "the estate of [deceased's name]". The bank will then transfer funds from the deceased customer's accounts to the estate account before closing the individual's accounts. The executor will distribute funds from the estate account according to the terms of the will and then close the estate account.

If the estate is worth less than \$15,000, the bank may forward money in the deceased's accounts to a person as set out in [section 65 of the Administration Act 1969](#). But the bank must be satisfied the person is dead and that no application has been made to the High Court to administer the estate. In such circumstances, the bank will probably want to see a copy of the deceased's death certificate and information about the person receiving the money. Even then, that person may not necessarily be entitled to information about the deceased's accounts, and may have to seek letters of administration from the court in order to access that information.

Signing authorities

When a customer dies, all signing authorities on that person's accounts and any power of attorney authority are no longer valid. Signing authorities allow a person to operate an account in the name of another person despite not owning the funds. A power of attorney is a wider power and enables someone to act on behalf of another person in specific areas or in all matters.

Joint accounts

If a deceased customer had a joint personal account, the account will usually be transferred into the remaining account holder's name, or names if there is more than one. This step will be more complicated if there is debt (particularly a loan secured by a mortgage over a property).

To learn more about estates, we suggest you talk to your bank or lawyer. See also our guides on [account mandates](#) and [power of attorney](#).

Complainants

Our rules require us to look only at complaints from those who received the financial service about which they are complaining. When someone dies and the High Court grants probate or letters of administration, the executor of the will or administrator of the estate becomes the deceased's representative and can make a complaint on his or her behalf. We cannot look at complaints if probate or letters of administration are pending or have not yet been sought. Nor can we consider complaints from next of kin or estate beneficiaries if these documents have been granted (unless the executor or administrator agrees).

In some limited circumstances, we may be able to consider a complaint from next of kin or estate beneficiaries if the estate is worth less than \$15,000 and the High Court granted no document.

Additional resources

The following organisations offer support and information about what to do after a loved one has passed away

- **Public Trust:** Provides information about estate administration and management. Explains the process of administering an estate, how long it will take and the costs involved.
- **Births, Deaths & Marriages:** Gives an overview of what you might need to do after the death of a loved one. This includes information about probate and wills, financial help, registering a death, planning a funeral and what to organise before you die.
- **Employment New Zealand:** Provides information about bereavement leave - leave employees can use if someone close to them passes away (and they meet the criteria).
- **Grief Support Services** (Western Bay of Plenty only): Offers support and understanding, individual and whānau/family counselling, specialized child counselling, bereavement support courses and connections to other support groups and agencies.

