

Bank or Building Society accounts and death

How can you find out where the deceased held bank / building society accounts?

There is no real substitute for a thorough review of the deceased person's papers and any other clues such as banking cards, information from family or friends or electronic traces.

Do I need to let the bank / building society know when someone dies?

An executor or administrator needs to notify all relevant organisations of the person's death. This includes their bank / building society. After satisfying the organisation's compliance requirements, the initial information needed and which all UK organisations must supply is the date of death balance for each account and a figure for interest accrued, but not yet paid as at the date of death.

What happens to money in a bank / building society account after someone dies?

When a bank / building society is notified of the death of one of their account holders, as a general rule, all of the deceased's sole bank / building society accounts are frozen. In practice this means any automated payment going out of the accounts, such as direct debits and standing orders, will be stopped. You as the executor / administrator will also not be able to withdraw any money from the accounts. Some banks/ building societies continue to allow payments in however.

What about joint accounts?

Where a UK bank / building society was jointly held with a spouse or another individual, all accounts we have encountered pass the balance and control of the account automatically to the survivor(s) on notification of the death. However, for UK inheritance tax reporting, as the executor / administrator, you will need the bank / building society to supply a date of death figure with accrued interest which you can then divide between the number of holders to find the deceased's share to be reported for tax.

Do I need a Grant to access the deceased's account?



Some banks may release money without a Grant, if the account value is below a certain amount but this is at the discretion of each bank / building society, and the thresholds differ between providers. From experience, the thresholds are between £5,000 and £50,000 depending on the bank / building society.

Can I use a deceased's person's account to pay for their funeral?

Despite the general rule about funds in the deceased's account being frozen, many mainstream UK banks will agree to pay the funeral costs in advance of the Grant, upon supply of the funeral director's invoice.

Can I use the deceased person's bank account to pay the Inheritance Tax?

You can ask the deceased's bank or building society to pay some or all of the Inheritance Tax due from the deceased's account(s) directly to HM Revenue and Customs (HMRC) in advance of supplying the Grant. This is called the 'Direct Payment Scheme' – most mainstream UK banks are signed up to this, but it is a voluntary scheme so it is not currently offered by every bank / building society.

