

# Fees for clients domiciled abroad following an inheritance

Topic: **Fees and charges** Case number: **2023/20**

The son and co-heir of the client, who had lived abroad before his death, complained to the Ombudsman that the bank was still charging monthly fees for clients domiciled abroad, even though both members of the community of heirs, he and his mother, were resident in Switzerland. The bank refused to stop charging the fees and to reimburse the community of heirs for the fees charged after the death of the account holder. The son then submitted the case to the Ombudsman. In the Ombudsman proceedings, the bank was prepared to waive the charge retroactively under certain conditions.

The bank's fee tariff provided for an additional monthly fee of CHF 25 to be charged to clients domiciled abroad. This rather common type of fee is usually justified by the banks with the increased regulatory burden that cross-border client relationships cause. This is as such understandable.

In this case, the heir argued that the client relationship continued with the community of heirs after the death of the deceased and that the foreign domicile, which according to the fee tariff was a prerequisite for charging the disputed fee, no longer existed, as both members of the community of heirs were domiciled in Switzerland. He also explained that the settlement of the inheritance would take some time, as experience has shown that in his father's country of domicile, to issue a certificate of inheritance is a time consuming process. He insisted that, until the inheritance was settled, it was an account relationship in which the charging of fees for clients domiciled abroad was justified. For the balancing and reopening of the account it requested a certificate of inheritance in the name of the community of heirs with a domicile address in Switzerland.

It seemed questionable to the Ombudsman whether the fee was actually applicable to the case based on the wording of the fee schedule. He therefore asked the bank to reconsider the heir's request. The latter was not prepared to stop the charges as long as no certificate of inheritance had been submitted and the inheritance had not been settled. However, as a compromise solution, it was prepared to reimburse the fees charged after the death of the deceased if a certificate of inheritance is presented to it within one year of the death, showing that all the heirs are domiciled in Switzerland. The bank obviously had an interest in not waiting too long to process the inheritance.

As the heir had already mentioned that the issuing of the certificate of inheritance could take longer, the Ombudsman felt compelled to consult with the bank again. The latter was prepared to extend the deadline if the heir adequately documented his efforts to obtain the certificate of inheritance. The latter accepted the proposed solution.