

JOINT BANK ACCOUNTS



WHY THEY CAUSE FAMILY FEUDS

HOW DOES THIS HAPPEN?

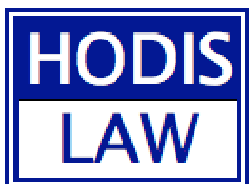
This spring, the Supreme Court of Canada heard 2 cases on the issue of joint bank accounts between parents and children and who is entitled to the proceeds when the parent dies? In one case the parties were siblings that were fighting in court. In the other case it was ex-spouses. Using the same principles of law, the Supreme Court came to opposite results. In one case, the child got the money in the bank account and in the other case, the child did not. The court's focus was whether the intention of the deceased was clearly known. In both cases, only the parent is contributing funds to the account.

OTHER CONSIDERATIONS

Aside from joint bank accounts, anytime you put something you own into joint name with someone else you are exposing this asset to a creditor. Not only your creditors but the creditors of the other joint owner. Many times a person will lose an asset or part of it to the creditor of the joint owner.

The child is placed on the account for convenience. The court awarded the daughter the money in one case because the father's intention was clear based on the evidence that he wanted the balance of the account on his death to go to his daughter and not shared with the beneficiaries of the estate. In the other case, there was not enough evidence to show the father's clear intention that one child to the exclusion of the other siblings should receive the funds.

Lesson Learned: Placing a name on a bank account is not enough. Make sure your Will clearly states your intention regarding your joint assets and make sure any other document in relation to the asset does not contradict your Will.



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Other areas of practice include estate administration and disputes, property law disputes and employment law issues.