

**The Distinction between Legal and Beneficial Interests in Joint Accounts:
Khoo Phaik Ean Patricia and another v Khoo Phaik Eng Katherine and others
 [2025] SGCA 20; [2025] 1 SLR 758**

I. Executive Summary

The law makes a distinction between what is known as a “legal” versus a “beneficial” interest in property. A party whose name is recorded as the owner of a property is considered to be holding the “legal” interest in and title to the property. However, the party holding legal title may also be holding the property on behalf of another party – that second party will be considered to have “beneficial” interest in the property.

The case of *Khoo Phaik Ean Patricia and another v Khoo Phaik Eng Katherine and others* [2025] SGCA 20 concerned multiple parties, some of whom seemed to hold legal and/or beneficial interests to certain bank accounts. Dr Khoo Boo Kwee (“**Dr Khoo**”) had converted his accounts with the United Overseas Bank (“**UOB**”) and the Post Office Savings Bank (“**POSB**”) – which were held in his sole name – to joint accounts that were held in the names of Dr Khoo, his wife Ng Eu Lin Evelyn (“**Evelyn**”), and his daughter Khoo Phaik Ean Patricia (“**Patricia**”). These accounts are collectively referred to as the “**Joint Accounts**”. This resulted in Dr Khoo, Evelyn, and Patricia being the joint legal owners of the Joint Accounts. However, Dr Khoo’s will (the “**Will**”) also provided that Dr Khoo’s residuary estate was to be distributed equally among his four children. He also, after the conversion to the Joint Accounts, made certain amendments to the Will (the “**Codicil**”), which potentially affected the holdings in the Joint Accounts.

After Dr Khoo’s passing, the question before the court concerned Dr Khoo’s intention at the time the Joint Accounts were created: did Dr Khoo gift the monies in those accounts to Patricia and Evelyn, or did the monies remain part of his estate, to be distributed to the other beneficiaries on his passing, in accordance with the terms of the Will? The Court of Appeal (“**CA**”) held that Dr Khoo did not intend to make a gift of the Joint Accounts to Evelyn and Patricia. As such, Evelyn and Patricia held the beneficial interests in the choses in action, representing the moneys in the Joint Accounts, on a resulting trust (meaning a trust created by operation of law, based on the presumed intentions of the parties) for Dr Khoo’s estate.

In reaching this decision, the CA held that the question of whether there was a declaration of beneficial interests as between holders of a joint bank account in bank documents was subsumed under the broader inquiry of whether there was sufficient evidence of actual intention to establish a trust (resulting or otherwise). These bank documents were to be construed on their own terms and context to determine if they addressed the issue of beneficial ownership. Moreover, the true question was not whether the bank documents addressed the issue of beneficial ownership in the abstract, but whether the bank documents addressed the ordering of the beneficial interest in the account as between the account holders.

II. Material Facts

The deceased, Dr Khoo, and his wife, Evelyn, had four children – Patricia, Khoo Teng Jin (“**Teng Jin**”), Khoo Phaik Eng Katherine (“**Katherine**”) and Khoo Phaik Lian Joyce (“**Joyce**”). In 1991, the family (except for Teng Jin) moved into the family home at Siglap Avenue (the “**Siglap Property**”).

In his Will, Dr Khoo named Patricia, Joyce and Katherine as the executrices and trustees of the Will. Clause 4 of the Will, dealing with the Siglap Property, provided that:

- (a) the Siglap Property was to be excluded from Dr Khoo's residuary estate;
- (b) Evelyn could continue residing in the Siglap Property until her death, on the condition that she paid for the upkeep of the Siglap Property using her own funds; and
- (c) in the event that Evelyn moved out of the Siglap Property of her own volition, the Siglap Property was to be sold, and the proceeds of sale distributed equally among Evelyn and Dr Khoo's four children.

Clause 5(1) then provided that the residuary estate was to be distributed equally among Dr Khoo's four children. This included the Joint Accounts.

In October 2019, Dr Khoo was diagnosed with cancer. Following this diagnosis, it appeared that he began to tidy up and settle his personal affairs. Patricia testified to four discussions she had with Dr Khoo, between 3 and 6 November 2019, about amendments which he wished to make to the Will (the "**Four Discussions**"). During these discussions, Dr Khoo expressed his intention for Patricia to purchase the Siglap Property, and that he would aid her in being able to do so. Additionally, to prevent Joyce from getting in the way of his wishes (as Joyce wanted to purchase half of the Siglap Property herself), Dr Khoo expressed his intention to have only Patricia and Katherine as the executrices of the Will. This culminated in an amendment to the Will, wherein Joyce was removed as a co-executrix. Dr Khoo also agreed to Evelyn's request of a gift of \$80,000 out of the \$4,080,000 in his residuary estate. This was expressed as an amendment to the Will as well – \$80,000 from his fixed deposits with UOB was to be given to Evelyn as a separate cash gift.

On 7 November 2019, Dr Khoo, together with Patricia and Evelyn, went to the branch offices of UOB and POSB. His accounts with these banks were then converted into joint accounts in the trio's names (the abovementioned Joint Accounts).

On 18 November 2019, Dr Khoo executed the Codicil, effecting certain amendments (amongst others) to the Will:

- (a) Under clause 1.1 of the Codicil, Joyce was removed as a co-executrix and trustee of the Will, leaving only Patricia and Katherine as executrices.
- (b) Under clause 1.2.1 of the Codicil, Dr Khoo directed that the Siglap Property was to be sold to Patricia and/or any members of her family nominated by her (under specified conditions).
- (c) Under clause 1.3 of the Codicil, Dr Khoo amended clause 5(1) of the Will to confirm that the distribution of his residuary estate, which did not include the Siglap Property, could occur prior to the sale of the Siglap Property to Patricia.
- (d) Under clause 1.4.2 of the Codicil, Dr Khoo directed the trustees of the Will to take out \$80,000 from his fixed deposits with UOB and to pay the same to Evelyn as a cash gift.

Upon Dr Khoo's passing on 21 January 2021, Katherine and Joyce sued Patricia and Evelyn in the General Division of the High Court ("**HC**"). Among other matters, they sought a declaration that, upon the demise of Dr Khoo, Patricia and Evelyn held the moneys in the Joint Accounts on a resulting trust for his estate. Patricia and Evelyn counterclaimed for a declaration that they (Patricia and Evelyn) jointly held the legal and beneficial interests to the entire balance of the moneys in the Joint Accounts. Patricia and Evelyn argued that while the Joint Accounts were listed in Dr Khoo's Will, he had changed his mind by November 2019 and no longer intended for the moneys in the Joint Accounts to be distributed to his four

children in equal shares. They relied heavily on Dr Khoo's act of converting the accounts held in his sole name to accounts held jointly with Patricia and Evelyn in November 2019.

However, the HC ruled that Patricia and Evelyn held the Joint Accounts on a resulting trust for Dr Khoo's estate. This was because there was sufficient direct evidence that he intended to retain the beneficial interest in the Joint Accounts, such that it could be distributed equally among his children upon his death.

III. Issues on Appeal

On appeal, Patricia and Evelyn argued that the Privy Council's decision in *Whitlock and another v Moree* (2017) 20 ITELR 658 ("**Whitlock**") necessitated revisiting the current legal framework on resulting trusts under Singapore law. Specifically, they sought to interpose a threshold question as to whether the bank documents governing a joint account contained a declaration of the account holders' beneficial interests. If such a declaration existed, it would be conclusive of the parties' intentions regarding the beneficial ownership of the account. They further argued that the account conversion forms designed to convert an existing account in the sole name of an account holder to an account in joint names ("**Conversion Forms**") and the terms and conditions ("**T&Cs**") governing the Joint Accounts contained such a declaration, conclusively establishing Dr Khoo's intention that Patricia and Evelyn were beneficially entitled to the Joint Accounts. In the alternative, Patricia and Evelyn argued that the preponderance of evidence showed that Dr Khoo intended to gift the Joint Accounts to them.

As such, the CA addressed the following main issues:

- A. whether the legal framework for determining beneficial ownership of property had to be modified in light of the Privy Council's decision in *Whitlock*; and
- B. whether Dr Khoo intended to make a gift of the Joint Accounts to Patricia and Evelyn.

A. Whether the legal framework for determining beneficial ownership of property had to be modified in light of the Privy Council's decision in Whitlock

(i) The existing legal framework

The CA first considered the existing legal framework for determining the beneficial ownership of property in Singapore. As a starting point, equity follows the law, and joint tenants of a legal estate are presumed to be joint tenants in equity as well. However, this is merely a starting point, and can be displaced by establishing either a resulting trust or common intention constructive trust (this arises when two or more parties share a common intention for property to be shared between them, and one party relies on that intention to their detriment). However, the parties did not invoke the doctrine of common intention constructive trust. Instead, the dispute was focused on whether a resulting trust arose in favour of Dr Khoo's estate.

The CA took the opportunity to stress the following points. A resulting trust under Singapore law may arise in one of the two following ways:

- (a) First, a resulting trust will arise if there is sufficient evidence that the transferor did not intend to benefit the transferee. The totality of the evidence should be considered in determining the transferor's intention.
- (b) Second, if the evidence of the transferor's actual intention is unavailable or equivocal, recourse may be had to the *presumption* of resulting trust and, if applicable, the

counter-presumption of advancement, if the circumstances attracting their application are present.

The CA then addressed the different ways in which the equitable interest in jointly owned property can be held, where party A gratuitously transfers property to the joint names of A and B in law for no consideration, as well as the different types of intention underlying each situation. Leaving aside common intention constructive trust scenarios, the position in equity can be broadly categorised into four scenarios, differentiated based on A's intention:

- (a) where the evidence establishes that A intended to benefit B immediately ("**Scenario 1**");
- (b) where the evidence establishes that A did not intend to benefit B immediately but intended that B will inherit whatever is left in the estate when A dies ("**Scenario 2**");
- (c) where the evidence establishes that A does not intend to benefit B at all ("**Scenario 3**"); and
- (d) where there is either no or insufficient evidence of A's intention ("**Scenario 4**").

The CA noted that all four scenarios were raised by the parties in the case, before outlining the legal consequences of each scenario.

In Scenario 1, no question of a resulting trust arises, and A and B would hold the property as joint tenants immediately upon the transfer. As there is no occasion for a trust to arise, there is no separation of the equitable interest in the property from the legal interest. Consequently, upon the death of A, B would become the sole and absolute owner of the property. The CA stressed that the subject-matter of the gift from A to B here is not the right of survivorship *per se*, but an aliquot share in the legal title of the property.

Regarding Scenario 2, the CA noted that the juridical basis for such an arrangement had not been clearly articulated thus far. As this issue did not arise on the facts of this case, the CA decided that it was unnecessary to resolve it definitively. However, the CA commented that a potential analysis was that any resulting trust was limited to A's lifetime. Instead, B becomes the absolute owner of the property upon A's death by the combination of (a) the extinguishing of A's aliquot share in the legal interest by the operation of survivorship; and (b) the extinguishing of A's equitable interest due to the cessation of the resulting trust.

In Scenario 3, given that A had no intention to benefit B at all, it contemplates a resulting trust. Upon A's death, B would continue to hold his aliquot share of the legal title on a resulting trust. What distinguishes Scenario 3 from Scenario 2 is that, in Scenario 3, A does not intend to benefit B at all, whereas in Scenario 2, A does not intend to benefit B for the duration of A's lifetime but does intend to benefit B after A's death in the event that B should survive him.

In Scenario 4, A and B's respective interests in the property would turn on the *presumptions* of resulting trust and advancement. This is consistent with existing case law establishing that recourse to the presumptions is neither necessary nor permissible where the evidence before the court sufficiently establishes A's intention.

Thus, the legal consequences regarding the beneficial ownership of the property as between A and B would vary depending on A's specific intention, as established by the evidence. Even where the ultimate outcome is for B to be the beneficial owner of the property upon A's death, this outcome may be obtained either by B becoming a beneficial owner immediately

upon the transfer (Scenario 1) or only upon A's death (Scenario 2), depending on A's intention.

(ii) There was no basis to modify the existing legal framework

The CA then turned to Patricia and Evelyn's argument that the existing legal framework ought to be modified following the Privy Council's (the "PC") decision in *Whitlock*. The CA rejected the argument, holding that *Whitlock* did not lay down any new law and the approach in that case was consistent with the existing framework for resulting trusts under Singapore law.

Whitlock concerned the beneficial ownership of a joint bank account held in the names of one Mr Moree and one Mr Lennard (deceased). The moneys in the joint account had been contributed solely by Mr Lennard. The question was whether the beneficial interest in the chose in action representing the joint credit balance passed to Mr Moree by survivorship, or whether Mr Moree held it on a resulting trust for Mr Lennard's estate. The account opening forms, which had been signed by both parties, contained the following clause: "Unless otherwise agreed in writing, all money which is now or may later be credited to the Account ... is our joint property with the right of survivorship..." A majority of the PC advised that this clause expressly set out the parties' intentions as to the beneficial interests in that account: any balance became the beneficial property of the survivor upon the death of the other account holder, regardless of who contributed money to the account beforehand.

The CA disagreed that based on *Whitlock*, it was necessary to first consider whether there is a declaration of beneficial interests in the bank account documentation before considering whether there was sufficient evidence of the transferor's intention to establish a trust (resulting or otherwise). Instead, the question of whether there was a declaration of beneficial interests as between the parties was subsumed under the broader inquiry of whether there was sufficient evidence of the transferor's actual intention.

Additionally, the CA stressed that *Whitlock* did not change the existing law, and was consistent with the existing framework for resulting trusts under Singapore law. While the PC had stated that a declaration of beneficial ownership was not *merely* evidence of the testator's intention, they ultimately did not question that it *was* evidence of intention. Thus, the key question was what the clause said about this intention.

Further, the CA accepted that bank documents *could* be conclusive of the transferor's intention and, in turn, the account holders' respective beneficial entitlements to the account. This would turn on a proper construction of the bank documents, and whether the documents addressed the ordering of the beneficial interest in the account as between the account holders; there is no bright-line rule as to what bank documents do or do not address. However, this conclusion comes about only after an inquiry into the intention of the transferor in the first place.

Ultimately, where a resulting trust is concerned, it is the *transferor's* intention that is relevant because the resulting trust responds to the transferor's lack of intention to benefit the transferee. The *transferee's* intention is irrelevant to the analysis of whether a resulting trust has arisen.

B. *Whether Dr Khoo intended to make a gift of the Joint Accounts to Patricia and Evelyn*

The CA then considered Dr Khoo's intention when he converted the Joint Accounts: did he intend a gift to Patricia and Evelyn of the equitable interest in the chose in action representing the funds?

The CA agreed with the HC that Dr Khoo did not intend to make a gift of the Joint Accounts to Patricia and Evelyn, and the Joint Accounts were held on a resulting trust for Dr Khoo's estate. The totality of the evidence showed that Dr Khoo's broad intention concerning the Joint Accounts never changed from the initial execution of the Will to the execution of the Codicil. Save for his gift of \$80,000 to Evelyn out of the Joint Accounts, his unwavering intention was to have all four of his children benefit equally from the Joint Accounts. Indeed, Patricia and Evelyn were added as co-account holders merely for administrative purposes.

Even though the execution of the Codicil post-dated the conversion to the Joint Accounts, the CA considered that its contents were still relevant given that (1) the Codicil was the endpoint of Dr Khoo making amendments to his Will, a process which began right *before* the conversion to the Joint Accounts; (2) the terms of the Codicil mirrored the contents of the Four Discussions, which occurred prior to the conversion to the Joint Accounts; and (3) on the morning of 7 November 2019, prior to Patricia and Evelyn accompanying Dr Khoo to the banks, Patricia conveyed Dr Khoo's instructions for amendments to be made to the Will. This showed consistency in Dr Khoo's expressed intention before the conversion to the Joint Accounts (*ie*, during the Four Discussions) and after it (*ie*, during the execution of the Codicil). There was also proximity in time between the conversion and the execution of the Codicil. Thus, Dr Khoo's subsequent conduct in the form of the execution of the Codicil was highly relevant to his intention at the time of the conversion of the Joint Accounts. There was a seamless and unbroken link between the Four Discussions preceding the conversion to the Joint Accounts and the execution of the Codicil postdating it.

Additionally, the CA held that the Conversion Forms and T&Cs governing the Joint Accounts did not contain any stipulation of the beneficial interests in the Joint Accounts, and therefore did not speak to a different conclusion about Dr Khoo's intention. They were standard forms drafted by the bank, and such bank documents ought to be interpreted in light of what the bank was concerned with – that is, legal rather than beneficial interests. Although Patricia and Evelyn placed great emphasis on the Conversion Forms referring to the three of them as the “beneficial owners” of the Joint Accounts, this was used as a specific term meaning: “a natural person who ultimately owns and controls the bank's customer, or the natural person on whose behalf the bank's customer is transacting or establishing business relations”. In any event, the reference to the trio as the “beneficial owners” meant only that they held the equitable interest in the Joint Accounts as a collective; it did not address how the equitable interest was held as between them.

Lastly, Patricia and Evelyn sought to rely on provisions in the T&Cs that addressed what would occur in the event of the death of one of the account holders. However, the CA held that those provisions did not address the issue of beneficial interest either. Rather, they only addressed the legal title to the account. They were focused on the issue of who the banks were entitled to act on the instructions of in the event that one of the account holders died. Their purpose was to provide the banks with the security of acting on the instructions of a surviving account holder upon the death of another, and did not address the account holders' respective beneficial entitlements to the Joint Accounts.

IV. Conclusion

The CA dismissed Patricia and Evelyn's appeal, affirming the HC's conclusion that Patricia and Evelyn held the legal title in the Joint Accounts on a resulting trust for Dr Khoo's estate.

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