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Who's liable for charges on dead dad's credit card?

By Sally Hengstad

Print Email



Dear To Her Credit,

I was an authorized user on my dad's MasterCard. He passed away in June, and I used it for a few months after his death. Am I responsible for the charges I made before his death or after his death or both? If I made charges after his death, can they still make me pay since he is deceased? This account shows up on my credit report. Will they have to remove it from my credit report? -- Barbara

To Her Credit



Sally Hengstad is a certified public accountant and the author of "Help! I Can't Pay My Bills Surviving a Financial Crisis" (St. Martin's Press, 2006)



Dear Barbara,

I'm not sure what the arrangement you had with your dad was -- whether he let you buy things on his card and he paid for them, or he let you use the card as a convenience and then you paid him back.

Ask a question.

To Her Credit' stories

If he let you use his card as a way of giving you an allowance, you were completely within your rights to use the card up until the day he died. As an authorized user, you are not responsible for that part of the debt. Your dad's estate will pay all his debts according to the laws in your state.

The moment your dad died, however, his card became invalid. Deceased individuals do not have open financial accounts. For example, a family member who is not a joint account holder cannot pay bills from the deceased person's checking account, or even deposit checks made out in his name. A new account must be set up for the estate, and all money must go through it. Even checks sent to your dad after he dies must be rewritten for "the estate of (his name)."

When you went shopping with your dad's card after he had died, it was like using his old, closed checking account. The piece of plastic still existed, but the active credit card account did not. The computers may not have known the cardholder was deceased, but you did.

Can they make you pay the credit card bill? Joshua P. Friedman, a collections attorney in Los Angeles, says, "From a purely contractual perspective, if she was solely an authorized user, no, she is not liable. Only account holders (those who open the account and/or may later be added for various reasons -- but not simply authorized users) are liable for the debt of the credit card."

Whether they can "make" you pay the bill or not, however, you bought the goods. Someone has to pay the bill, and it probably won't be your dad's estate. The credit card company paid cash to the merchants; they deserve to be repaid. I can't think of any reason why anyone should pay this bill besides the person who ran it up.

Furthermore, you have more to worry about here than you think. Unless you can show that you didn't

know your father had passed away, you may be in legal trouble. Friedman says, "This could be a case of fraud. And in that situation, the credit card company could pursue her on those grounds." Based on the limited facts here, Friedman advises that you could find yourself liable for this debt, penalties, and more.

I recommend you pay for your purchases immediately – in full, if possible. If you received an inheritance from your father, use it to pay the debt off. Otherwise, pay as much as you can every month until it is gone.

As for your credit report, accounts on which you are an authorized user will show up. Once the card issuer is notified that your father has died, the account will be closed. When that happens, the account will then appear as closed on your credit report.

From now on, here's one simple rule to keep you out of financial trouble:

Never buy anything you can't pay for.

Heed this advice with no exceptions -- not when you're offered a higher credit limit, not when a salesman tells you what he thinks you can afford and not when you're holding Dad's credit card. The peace of mind you'll have will be better than anything you could ever buy.

See related: What happens to credit card debt after death

Sally Herigstad writes about women and credit every week for CreditCards.com. Herigstad is a writer and finance consultant for MSN Money, a personal finance software product. She is also a member of the Washington Society of Certified Public Accountants and the American Institute of Certified Public Accountants. Her Web site is <http://helpicanpaymybills.net>. Sally Herigstad lives in Kent, Wash., with her husband Gary. They have two grown children, Valia and Grant.

To Her Credit answers a question about a debt or credit issue from a CreditCards.com reader each week. Send your question to Sally.

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