

## **The complaint**

Mr M complains, through a claims management company (CMC) that he was given unsuitable investment advice by Barclays Bank UK PLC because he was advised to invest too much money and the investments were too risky.

### **What happened**

The CMC raised a complaint regarding various investments. Barclays said it wasn't the selling agent for two of the investments. It also identified another reference relating to another possible investment but had no information, and Mr M said he had no recollection of this investment.

Regarding the two other investments Mr M had complained about, the information available shows that Mr M saw an adviser in 1999 to discuss investing some of his available capital. The adviser recommended he invest £7,000 in the Scottish Equitable Technology fund ISA. In 2000 Mr M invested a further £7,000 into the Henderson Global Technology fund.

In its final response letter Barclays said that both funds were suitable for Mr M's recorded medium risk appetite and the amount invested wasn't too much of his available capital. It said that the adviser had noted Mr M specifically wanted to invest in technology funds having read an article about these.

One of our investigators considered the complaint and also thought that the two funds were suitable for Mr M. He noted Barclays wasn't responsible for the sale of two other investments and said Mr M needed to contact those businesses. He also noted there was no information about another potential investment and explained that without any evidence about this we wouldn't be able to consider this.

The CMC didn't agree with the investigator that the two technology funds were suitable for a medium risk investor and asked for a review by an ombudsman.

### **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The CMC raised two specific issues about suitability of the investments made by Mr M – namely that he was advised to invest too much and that the investments that he was recommended were too risky. I have considered those two specific issues and the overall suitability of the investments and having done so I'm not satisfied that they were unsuitable.

In its original complaint to Barclays the CMC said that Mr M had been advised to invest too much because he was advised to invest £25,000 but this seems to include money invested in one of the investments Barclays isn't responsible for.

I am considering a complaint about two investments totalling £14,000. The fact find completed at the end of 1999 shows that Mr M had £17,624 in bank accounts, £20,000 in premium bonds, just over £45,000 in a fixed rate bond due to mature in early 2001 and

£17,000 in PEPS. I also note that he had a significant net income each month, after deduction of his outgoings. In the circumstances I'm not persuaded that investing a total of £14,000 was too much of his available capital.

In terms of risk the fact find notes Mr M's preferred level of risk as medium. This is described in the suitability report that was sent to Mr M after the meeting with the adviser, as:

*"The underlying assets of this type of investment are broadly based being backed by real assets such as stocks and shares. This will provide you with the potential to benefit from true capital growth over and above inflation. Investment values will fluctuate according to market values."*

The only information in the fact find as to the selection of the risk category is the comments recorded as against the four different risk categories. These show Mr M wasn't interested in high risk or very low risk investments but recorded that medium risk 'sounded right', and that low risk was 'okay' for some of his money.

It is of note that the suitability report of 13 December 1999 records that Mr M had been reading several articles in the paper and felt that technology, particularly the internet, were areas that had the best potential for growth over the next few years. So, it appears Mr M had been making his own enquiries into possible investments before seeing the adviser. Mr M also had some previous experience of investment through PEPs and

In the circumstances, based on the evidence I have been provided with, I'm not persuaded that Mr M was incorrectly identified as a medium risk investor - medium risk being as described in the suitability letter.

The CMC has provided no evidence that the Scottish Equitable and Henderson funds weren't suitable for Mr M as a medium risk investor and they were in accordance with his desire to invest in technology-based investments. I have also seen no persuasive evidence that the investments weren't otherwise suitable for him based on his recorded circumstances and needs.

### **My final decision**

I don't uphold this complaint for the reasons I have explained.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 January 2021.

Philip Gibbons  
**Ombudsman**