

## **The complaint**

Mrs J complained about Financial Administration Services Limited's (trading as Fidelity) actions in transferring in her ISA investments from another provider.

## **What happened**

Mrs J believes it didn't handle this process fairly or correctly and that it withheld information from her. She says that its various failings delayed the process and affected her ability to reinvest the cash, resulting in a loss. She also argues that Fidelity encashed some investments without her permission or knowledge.

An investigator at this service didn't believe the complaint should be upheld, saying:

- It's important to note that we don't act as the regulators of the financial industry, that would be the Financial Conduct Authority (FCA). Therefore, our service is unable to tell a business that a process or procedure is incorrect or recommend any changes
- Mrs J signed a contract with Fidelity agreeing that: *"If we do not offer the same share class as the one you have invested in, we will switch your investment into another share class of the same fund." "If any of the investments in your ISA are not available on FundsNetwork, or are not eligible for re-registration, your current ISA manager will sell your investment and send the proceeds to us. We will place this money into cash, from where you will be able to switch it into other investments."*
- This explains why several funds totalling just over £20,000 had to be encashed, with this money being then moved into her Fidelity cash account
- While it must have been distressing for Mrs J to see that part of her investment had been sold to cash, Fidelity gave prior notice via the re-registration and the authority letter which Mrs J signed
- Looking at the evidence, she was satisfied that Fidelity had acted correctly and in line with the signed agreement. She appreciated that some correspondence may have caused confusion to Mrs J but, overall, she felt the transfer was done correctly

Mrs J's husband said (on her behalf):

- The investigator has not told them what information she requested from Fidelity, nor did she get in touch to get their 'side of the story'
- Her 'decision' simply recounts information from documents provided by Fidelity and does not in any way reflect their side of the story
- She has not mentioned the question of delays and why they happened - or taken into account their impact on the lost returns (while the money was kept in cash)

- Neither has she mentioned the lack of transparency in the way Fidelity failed to keep Mrs J informed promptly about the sale of her assets and failed to update her transaction history to reflect the sales. Both of these issues were raised with Fidelity in the secure messages which passed between his wife and the company – and was part of her complaint to this service
- His wife asked why part of her investments had been sold and transferred as cash but this wasn't answered by Fidelity, only becoming clear after this service's intervention
- The investigator said she: "*can't fairly say prior notice wasn't given*" but neither can she say prior notice was given. Therefore, it is clear she has given the benefit of any doubt on this issue to Fidelity. Where in FOS guidance does it state that this approach is encouraged or even allowed?
- His wife had never argued that the transfer of assets was illegal or corrupt; rather that the level of service provided by Fidelity to a new customer was abysmally poor and that its compensation was inadequate

Mr J also raised various points about how this service had dealt with his wife's complaint. The investigator explained that we have a separate process to deal with complaints about this service and gave Mr J the necessary information to pursue this issue separately.

### **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.

In this case I agree with the investigator and for the same reasons. As such, there is little I can add to her reasoning.

From what I have read, it seems as if Mrs J accepts that Fidelity was entitled to sell shares/funds which it either didn't hold on its platform or didn't have a comparable share class available. Instead, she feels it should have made this clearer and kept her informed of its proposed actions while encashing various shares and, by definition, this money no longer enjoying growth potential.

I am afraid I do not agree. I am satisfied that Fidelity made clear what it would do in these situations and I do not accept that it needed to offer an ongoing commentary on the process.

In its Final Response Letter (FRL), Fidelity explained what it had done and why, acknowledging that certain information (about the dates of the encashments) may understandably have been confusing. Also, it accepted that it didn't – on one occasion – provide clear and accurate information. Hence, it offered Mrs J £25 in compensation.

In fact, I am satisfied that its FRL did satisfactorily explain what had occurred and why; I don't agree that it sought to hide information or withheld information until Mrs J's complaint was assessed by this service.

Crucially, I don't believe that any of these issues affected the value of Mrs J's assets (either investments or cash) so I don't agree that it materially affected her ability to reinvest the cash. As such, I can see no grounds on which to conclude that Fidelity's minor communication failing caused Mrs J an actual loss.

Overall, I am not persuaded that Fidelity did anything substantially wrong. This includes the alleged delays, poor communication or misinformation (beyond that it admitted to in its FRL).

Finally, I acknowledge that Mr and Mrs J are unhappy about how this service has considered their complaint, including believing that they were not given sufficient opportunity to 'put their side of the story'. However, I do not believe it is necessary to seek further information or evidence from Mrs J in order to reach a fair and reasonable decision given what is, in my view, is conclusive evidence about the issues in dispute.

Mr and Mrs J can, however, still pursue a 'service complaint' against either the investigator or myself, via the procedure explained by the investigator, if they remain dissatisfied by how this service has dealt with their complaint.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 30 June 2021.

Tony Moss  
**Ombudsman**