

The complaint

Mrs C complains about delays when opening an Individual Savings Account (ISA) with Invesco Fund Managers Limited and making an initial deposit.

What happened

One of our investigators looked into what happened and thought that Invesco should pay some redress to put things right. Invesco didn't agree with the redress so the complaint came to me for a decision.

After reviewing the complaint I came to the same overall outcome as our investigator; that some redress was due for what happened. However I thought a different form of redress was appropriate. I issued a provisional decision on 11 February 2022 which said:

It's clear to me how strongly Mrs C feels about what happened. I want to assure Mrs C that I've read and considered all of the information provided even if I don't mention it in detail. I've summarised the complaint which reflects the informal nature of our service.

Invesco have said that in order to fulfil their AML obligations in regards to the ISA they had to confirm the source of the funds to be sure they belonged to Mrs C. Because they weren't sure of this, the cheque used for the deposit wasn't accepted.

It's not my place to say what policies and procedures Invesco should have. It's also not my place to say what documents I think they should accept for their AML obligations in regards to the source of the funds. But I do think the level of customer service provided here fell short of what I would expect.

Mrs C's husband contacted Invesco on her behalf to make the initial deposit. Invesco didn't accept this over the telephone as the debit card being used to make the deposit wasn't in her name.

Invesco said they could accept a cheque for the deposit if sent in alongside a bank statement that matches the details provided, and if sent along with a letter. Mrs C did as requested and sent in a cheque, a bank statement and a letter. Invesco rejected this saying the cheque was in the name of a third party; which was Mrs C's husband.

But Invesco seemed to ignore the letter which was sent in along with the cheque. This explained that Mrs C held a joint bank account with her husband. Invesco asked Mrs C to complete a different part of the ISA application form that is applicable when the deposit is being gifted. This wasn't correct as the deposit wasn't being gifted. I think this should've been clear from the phone contact with Mr C, and from the letter sent along with the cheque. When looking into what happened Invesco again made reference to gifting the deposit, which was again incorrect.

I think the problem here lies with the advice given by Invesco about what they could accept as proof of the source of funds, and not whether they should've accepted the documents provided. I think it's clear that the documents provided were not acceptable to Invesco.

Invesco said they could accept a bank statement and a cheque – which is what Mrs C sent in. I think what they should've said was that they would accept a cheque in the name of Mrs C alongside a bank statement showing her full name. This detail, which was a requirement, would've made the situation a lot clearer.

Had Invesco been clearer, as I think they should've been, the inconvenience could've been avoided. I say this as Mrs C didn't have a cheque book in her name. And also the bank statement didn't contain her full name either. So neither of these would've been suitable for Invesco's requirements and Mrs C would've known this immediately if she had been told. Then Mrs C wouldn't have been put to the trouble of sending in a cheque and a bank statement which were never going to be suitable. And it's also frustrating for Mrs C that the letter she was asked to send in was seemingly ignored.

In the long run Mrs C obtained a debit card in her name and made the payment that way. This took some time as it was a new debit card that had to be ordered from Mrs C's bank, and then sent out in the post.

If Invesco had told Mrs C more clearly about their requirements, as I think they should, it still would've taken some time for the deposit to be made as a new debit card was required. So I don't think it'd be fair to ask Invesco to pay the redress Mrs C has requested because the documentation provided was never going to be acceptable.

Invesco did cause some inconvenience for Mrs C as she sent in the cheque, statement and letter which I don't think she should've had to do. This caused delays in Mrs C knowing that she had to order a debit card in her own name to make the deposit. For being put to this trouble I think Invesco should pay Mrs C £100 which I think is a fair payment for the inconvenience caused.

Having considered everything that happened I'm satisfied Mrs C was put to some unnecessary inconvenience. To put this right I think Invesco should pay Mrs C £100.

I asked both parties to provide me with any further submissions they had before I issued my final decision.

Invesco replied saying they agreed to the £100 payment.

Mrs C replied disagreeing saying she felt the offer of redress made by our investigator should be paid rather than the £100 I suggested in my provisional decision.

The complaint has now been passed back to me for a final decision.

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.

Having done so I find myself coming to the same conclusion I did in my provisional decision, and for the same reasons.

In reply to my provisional decision Mrs C said she feels she was given the correct information by Invesco as the terms and conditions say they will accept a cheque drawn on a joint account. And I agree that is what the terms and conditions say.

However in this situation Invesco had no way of confirming that the cheque provided was

actually from a joint account to which Mrs C is a party. The cheque was in the name of Mrs C's husband, and the statement doesn't show either her name or initials. Had the statement provided shown at least Mrs C's initials then the situation might be different. But with no mention of Mrs C, either by name or initials, on either the cheque or the statement I think Invesco acted fairly and reasonably by not accepting them.

As I explained in my provisional decision I think Invesco should've been clearer in saying what evidence they required. Had they done so Mrs C wouldn't have been put to the trouble of sending in a cheque, a letter, and a statement.

Having carefully considered everything that happened I'm satisfied a payment of £100 is a fair and reasonable way of resolving the complaint.

Putting things right

Invesco Fund Managers Limited should pay Mrs C £100 to put things right for the inconvenience caused.

My final decision

For the reasons I've explained above, my decision is that I uphold this complaint.

Invesco Fund Managers Limited should pay Mrs C £100 to put things right for the inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 24 March 2022.

Warren Wilson

Ombudsman