

## **The complaint**

Ms S complains that Interactive Investor Services Limited gave her inaccurate information about a pension switch and in doing so caused her a financial loss.

## **What happened**

In early January 2020, Ms S wished to do a partial fund transfer from her pension with another provider and into a Self-Invested Personal Pension (SIPP) with Interactive Investor. She had contacted the other party to enquire about how she would be able to do this – and it had (incorrectly) told her she could select the funds and proportions of money to liquidate from each. There was a particular fund Ms S was concerned about and she wished to switch all of her holdings out of it.

Ms S then contacted Interactive Investor to setup the SIPP, she checked that nothing would happen until she gave it specific instructions of the transfer and which funds she wished to sell and in what proportion. Interactive Investor confirmed nothing would happen until it received further instruction.

Unfortunately less than a week after this, Interactive Investor submitted the transfer request via Origo options and the money was sent over to it. Ms S noticed that the money had been split evenly across the four funds she held with the other provider, which is not what she'd wanted.

On 31 January 2020, Ms S complained and Interactive Investor realised it had given incorrect information to her. It asked her to provide it with an estimation of her loss and it would look into putting things right.

Ms S didn't get back to Interactive Investor and so it issued a final response in March 2020 and re-iterated its offer to look at any potential financial loss. It also offered £100 for the distress and inconvenience caused.

Ms S told us she didn't do anything at the time as she'd been very stressed and then it was the start of the pandemic. Ms S also told us she hadn't sold down the underperforming fund which appears to have been the main reason for the switch. Ms S said she hadn't done so as she thought she'd be crystallising the loss. And she'd found all this difficult to deal with and that's why she hadn't done anything to mitigate her situation.

Our investigator looked into matters, he concluded that it wasn't now practical for Interactive Investor to look into any kind of loss calculation. He explained that as so much time has passed and Ms S hadn't mitigated her position it would now be unfair and unreasonable to carry out a loss calculation. In the circumstances he felt that additional money should be awarded to reflect the distress and inconvenience caused to Ms S, he recommended £200 which Interactive Investor accepted was fair.

Ms S didn't think that the additional £200 was sufficient. She compared the award to what was offered by the other provider (which is also subject to a complaint which we are looking at under a separate reference) and thought it was too low. She explained that we ourselves

had said Interactive Investor was more at fault – but the amount awarded was less than had been offered by the other party. Ms S said the situation had caused her significant stress and upset.

### **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 agree with the investigator's findings and for broadly the same reasons.

There is no doubt that Interactive Investor made a mistake and it gave Ms S incorrect information. The result of which was that the switch occurred before Ms S had expected. In situations such as these, where the business has made an error we'd expect it to try and put matters right. Interactive Investor did do so, as soon as it was made aware of the mistake it accepted it and offered to look into whether Ms S had suffered a financial loss. However, Ms S didn't take this forward. And by the time she complained to our service it was over six months later. And she hadn't switched out of the fund she felt was underperforming either.

It is impractical and would be unreasonable to say that Interactive Investor should carry out a loss calculation now. Furthermore, I understand what Ms S actually wished to do, sell down a particular fund and switch it across to the SIPP with Interactive Investor wasn't possible in any event. So putting things right in terms of what should've happened isn't available as a fair or exact solution.

The investigator recommended that Interactive Investor pay an additional £200 on top of the £100 it had already paid in recognition of the distress and inconvenience caused. Ms S says this isn't sufficient and points to the fact the other provider offered more despite more of the fault sitting with Interactive Investor.

I've considered Interactive Investor's role in the situation to consider what's fair and reasonable in terms of recognising the distress and inconvenience caused. As I've said above, Ms S couldn't do the switch as she wanted in any event. But Interactive Investor in requesting the money, set in stone the mistake the other party had made. The other party offered to undo the switch – and Interactive Investor offered to look into any financial loss that occurred. Unfortunately, I understand Ms S was struggling at the time and so didn't take any action here. But the option was there and offered to Ms S to have things put right, and I can't reasonably hold Interactive Investor responsible for Ms S not mitigating the situation. I have to take into account it was prepared to put things right early on in the process and this could've been achieved with Ms S' co-operation. Therefore, I think the award the investigator recommended is fair and reasonable in the circumstances. I think this error will have caused Ms S stress, upset and inconvenience but I think for the reasons explained £300 in total is a fair and reasonable award. This may be less than offered by the other party but that was a compensation offer made by the other party prior before our involvement.

### **Putting things right**

Interactive Investor should pay Ms £300 in recognition of the distress and inconvenience its error caused her. I understand £100 has already been paid, if this is the case then it only needs to pay £200 to settle the matter.

### **My final decision**

Interactive Investor Services Limited on receipt of Ms S's acceptance of this decision, should put matters right as stated above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 28 September 2022.

Simon Hollingshead  
**Ombudsman**