

## **The complaint**

Ms A complains Nutmeg Savings and Investments Limited (Nutmeg) transferred her whole ISA investment in error. In correcting its mistake, she says it has failed to put her back in the position she would otherwise have been in and doesn't feel the offer for trouble and upset reflects the distress this matter has caused her.

## **What happened**

Ms A holds an ISA Investment with Nutmeg. She instructed it to re-direct her monthly contribution to an alternative provider.

Nutmeg received two instructions from the third-party provider and instead of checking which instruction was correct proceeded to transfer the whole fund, rather than redirect the monthly contribution.

Ms A spotted the error quickly and complained to Nutmeg. It apologised for its mistake and corrected its error, returned the funds and calculated any loss to Ms A. It paid £738 for missed market movement, £49.29 for the cost of buying and selling and £100 for the trouble and upset this matter had caused.

Ms A was dissatisfied with the redress offered by Nutmeg. It calculated the loss between 19 July 2021 (when the funds were transferred away) and 9 August (when they were returned). But because the funds were not invested immediately, Ms A asks for the refund to be calculated up until the date they were reinvested. Because that hasn't happened Ms A feels the error has not put her back in the position, she would otherwise have been in. An investigator looked into things for Ms A. After looking carefully at all the information, she felt the redress offered by Nutmeg was fair and reasonable and she didn't ask it to do anything further.

Ms A disagreed and asks for an ombudsman review.

## **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.

First, I'm very aware that I've summarised this complaint in far less detail than the parties and I've done so using my own words. I'm not going to respond to every single point made by all the parties involved. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here.

Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

In this case, there is no dispute that an error was made, which has since been corrected. The issue is whether the redress offered is fair and reasonable in the circumstances of the complaint.

Ms A spotted this error quickly and brought this to its attention on 4 August and Nutmeg had the funds back on 6 August 2021. So, I think it acted quickly to redress the situation. But when the funds were brought back it sent a message on 6 August that read:  
*We received a deposit to your account, but we can't invest it for you until you transfer it to the pot you want it invested in. Just follow the steps on your homepage on desktop or tablet. Once you've allocated your money to a pot, we'll invest it on the next trade cycle.*  
The next trade cycle was 9 August, so this accounts for the period of time Nutmeg have used to calculate the missed opportunity.

Ms A has said she didn't see why she should have to take any action, it seemed to her as though she was having to correct Nutmeg's error. Whilst I understand why she may have felt aggrieved, the old investment pot had been closed and so a new one needed to be opened by Ms A.

I can also see Nutmeg followed up with a further instruction on 10 August 2021 on how to set up the investment pot and I have also taken into account Ms A had done this previously and so had some knowledge of the system already.

On balance I think the loss calculation between 19 July and 9 August is fair and I can't fairly hold Nutmeg responsible for any losses for not reinvesting when it wasn't in a position to do so until Ms A had selected her investment pot.

I understand Ms A thinks the level of compensation for the distress and inconvenience is disproportionate to the fees she has paid since opening the ISA. I've not been provided with anything to suggest these fees haven't been applied correctly and so ought to be refunded. If they hadn't, then this would be a financial loss I'd need to consider, and it would be separate from any distress and inconvenience payment.

As such, I don't think the fees paid by Ms A is relevant to any award for distress and inconvenience I may recommend. That said, I don't underplay the trouble and upset this matter has caused Ms A. But it's fair to say the awards this service makes for trouble and upset are relatively modest, again reflecting the fact this is a free service and alternative to the courts. Because Nutmeg acted quickly to correct its error and minimise the impact on Ms A, I find £100 to be reasonable compensation and so I'm not going to ask it to do anything further.

### **My final decision**

For the reasons I have given I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 14 December 2022.

Wendy Steele  
**Ombudsman**