

## **The complaint**

Mr K complains that Elevate Portfolio Services Limited, trading as Elevate, failed to fully encash his individual savings account (ISA) in good time, and this caused him a financial loss and distress.

## **What happened**

In January 2020, Mr K wrote to Elevate and asked them to fully encash his stocks and shares ISA. Elevate wrote to Mr K and told him they could not verify the bank account he wanted the money sent to. Mr K then called Elevate and told them they had already made a payment to the same account a couple of years earlier from an account he and his late wife held. He told them to pay the funds.

Over the following months, Elevate wrote to Mr K requesting verification of the bank he had asked them to transfer the funds to, but the letters were returned as addressee unknown.

Mr K called Elevate again in September 2020 because he'd received a letter from the Department of Work and Pensions (DWP) telling him Elevate had told them he no longer lived at the address. In the call a security check on the address was completed with Mr K and Elevate updated their records. Later the same month Mr K complained that he still hadn't received his ISA funds. And, after a further telephone call on 28 September, Elevate confirmed they would try and validate the bank details again.

When Elevate received the bank verification using a letterhead from the bank and signed by the branch manager, the payment of the ISA funds was approved. The payment was made on 5 October. And on 8 October Elevate provided a final response to Mr K. In their response Elevate apologised they had missed several opportunities to call Mr K instead of sending him letters. Elevate said that if they'd done this it's likely the withdrawal would have completed in January 2020. They confirmed the funds they transferred in October 2020 included £1,085.71 which was the loss in the ISA fund value from January to October. Elevate also paid Mr K the sum of 8% simple interest on the amount transferred as Mr K had been deprived of the funds during this time. Finally, Elevate recognised the distress and inconvenience Mr K had suffered during this time and paid him £350.00.

Mr K wasn't happy with the response from Elevate and he brought his complaint to the Financial Ombudsman Service. One of our Investigators looked into things for Mr K and thought the offer made by Elevate to resolve the complaint was a fair and reasonable one. Mr K didn't agree and asked the Investigator to consider his vulnerability and more recent correspondence from Elevate highlighting that in 2020/21 they deducted £92.60 for charges to his ISA account. Mr K said he'd had to borrow money from family and friends to pay bills when some of his benefits were stopped, and this had caused him a financial loss. And that he'd donated £1,500 to a third party who'd assisted him with his complaints.

Our Investigator reviewed the evidence again and suggested Elevate should refund the charges of £92.60 to Mr K. Elevate accepted this. Our Investigator responded to Mr K and told him Elevate would pay him the £92.60 but explained that although Mr K had donated funds to a third party to assist him with his complaint, this wasn't something we would ask

Elevate to pay. Our Investigator asked Mr K for any further evidence he'd suffered additional financial loss so that she could consider this again. Mr K hasn't provided any further evidence of financial loss, so the case was passed to me to decide.

### **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.

Before I explain my final decision in this matter, I would like to apologise for the delay in Mr K receiving a decision. Over the last two years we've received many more requests for help from consumers than we expected. We've tried to deal with cases in the order in which they were received, and this is the reason why it's taken longer than we would have liked to issue a final decision in this case.

I understand that Mr K will be disappointed, but for very much the same reasons given by our Investigator, I've decided that the remedy offered by Elevate, alongside their commitment to refund Mr K the charges he incurred in 2020/21, is a reasonable one. I will now explain why.

#### *Encashing the ISA*

I accept there was an issue with verifying the bank to which the payment was to me made, but I don't think Elevate did enough to contact Mr K and help him get the funds released more quickly. I appreciate Mr K likely returned the letters Elevate had sent him about the verification, but I'm mindful Elevate had good reason to believe he was vulnerable, yet they continued to write to him even though they had a valid contact number.

It wasn't until late September 2020 that Elevate took a more proactive approach to support Mr K in surrendering his ISA. Unfortunately, by this time the value of Mr K's investment had fallen, and he'd been deprived of the funds for about eight months. Elevate sold the units in the ISA and realised there had been a fall in value from January, when Mr K asked for the encashment. Elevate re-calculated the value of the ISA in January 2020 and used that as the surrender value. In addition to this Elevate explained that as Mr K had been deprived of the funds for a number of months they added 8% simple interest to the surrender value to the date of settlement.

I've considered the remedy paid by Elevate in this regard and I'm satisfied that it is fair and reasonable. It put Mr K back to the position he would have been in if the surrender had taken place when he expected it to in January 2020. So, I won't be asking Elevate to take any further action in this regard.

#### *Financial loss*

Mr K borrowed money from family and friends as his Housing Benefit and his Council Tax reduction were affected. There is some confusion about why the benefits were stopped as Mr K's ISA investment was only about £12,000 at its peak, and the capital limit for this time was £16,000. I therefore consider it unlikely the matter of ISA was the only issue impacting Mr K's benefits. Regardless of this, Mr K has confirmed these benefits were re-instated and that they were backdated. So, I'm persuaded Mr K has more likely than not received back the funds he says he lost during this time. Although I appreciate the Council Tax was applied as a credit to the following years contribution, I'm satisfied Mr K has received this benefit back.

Mr K says he borrowed money to pay his rent and other items of expenditure. He says he's

had to pay this back from his ISA funds and the back dated benefits. Our Investigator asked Mr K for details of any losses in respect of these loans, for example any interest he had to pay. Mr K hasn't provided any evidence of any interest he paid. So, I consider it more likely than not that these loans didn't incur any interest and I won't be asking Elevate to pay Mr K anything in relation to these loans.

After he'd received his ISA funds from Elevate, Mr K later received a statement from them showing he'd incurred annual costs on his ISA of £92.60. Our Investigator initially didn't recommend that Elevate refund these charges, but after further representations from Mr K she asked Elevate to confirm they would. Elevate agreed to do this. Although this was not in the initial view our Investigator shared, I'm satisfied both parties have had the chance to comment on this matter, so I will not issue a provisional decision. Instead, because Mr K has been waiting for a long time for this matter to be considered, I think it's pragmatic to issue a final decision in this regard. And I will be asking Elevate to pay the sum of £92.60 to Mr K in my final decision.

### *Payment to a third party*

Mr K has been using a third party to help him with his complaints to Elevate and with the Financial Ombudsman Service. Mr K says that he made a voluntary donation to the third party and that Elevate should refund what he's paid.

The Financial Ombudsman Service is a free service for complainants. After Elevate looked into Mr K's complaint they explained he could bring it to the Financial Ombudsman. Mr K did so but continued to use a third party and donated to this third party. Of course, Mr K can donate to a third party if he wishes, but I consider it would be unfair and unreasonable for Elevate to pay back to Mr K the donation he chose to make. This is not a financial loss that Elevate are responsible for. This is especially so as Mr K was made aware by Elevate that if he wasn't happy with the way they had dealt with his surrender request he could bring the complaint to the Financial Ombudsman Service. Therefore, I won't be asking Elevate to reimburse any donation he's made to the third-party.

### *Distress and inconvenience*

I'm satisfied that Elevate could have been more proactive when Mr K first asked for his funds to be transferred. I think that if they'd taken prompt action to help Mr K validate his bank details the matter would have been resolved many months earlier. This is supported by the speed in which Elevate acted when a member of staff spoke with Mr K in late September 2020.

Elevate elected to initially communicate with Mr K about the validation of the account by letter. This led to Mr K becoming increasingly frustrated and he took to returning the letters they were sending him as 'addressee unknown'. I'm persuaded the actions of Mr K led to some confusion and ultimately this is likely to have resulted in Elevate telling the DWP they believed Mr K no longer lived at the address. So, although I think Elevate could have been more proactive here, I also have to consider Mr K disengaged with them for a significant period.

So, when taking into account Mr K's vulnerability, I consider Elevates' offer of £350.00 for the distress and inconvenience their lack of proactivity caused Mr K was a reasonable one in the circumstances. As Elevate have already paid this to Mr K, I won't be asking them to pay anything else in this regard.

**Putting things right**

Elevate have already settled the surrender value from the time Mr K requested it in January 2020, paid interest at 8% simple to the settlement date and paid Mr K £350. So, I will now be asking Elevate to pay Mr K the sum of £92.60 as a full refund of the charges they applied to Mr K's ISA in 2020/21.

**My final decision**

I've decided that Elevate Portfolio Services Limited, trading as Elevate, should refund a further £92.60 to Mr K.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 21 April 2022.

Paul Lawton  
**Ombudsman**