

The complaint

Mr T complains about the delay in Wren Sterling Financial Planning Limited (referred to as “the business”) processing his request in surrendering an investment he had with the investment provider (“provider”).

What happened

Mr T was having some major building works done on his property. To fund this project, he decided to surrender one of his investments.

On 5 January 2022, he contacted the business which is the servicing agent for his investment to start the process and obtain an up to date valuation. He called the Nottingham office, but no one answered. On 6 January 2022, he called again but couldn’t get through, so he left a voicemail setting out his requirements. He was called back the same day from the Glasgow office notifying him that an adviser from the Nottingham office would call him back. Mr T says he was led to believe that it would be in the next 24 hours.

On 7 January 2022, Mr T raised a complaint as he didn’t receive a call back from the business. In summary, he said that he’d been trying to contact someone from the business to discuss surrendering his investment, but no one had been able to help and it had been very frustrating and disappointing. He requested the business to close the account as he needed the money urgently.

On 10 January 2022, Mr T received the call back and was promised a call from a financial adviser at the Nottingham office. He was told that he’d need to complete a withdrawal form (from the provider), that the business would send/email.

On 12 January 2022, Mr T received the form which he duly completed and returned to the provider at the Edinburgh office address displayed on the letter. On 21 January 2022, he contacted the provider again for an update but found that it hadn’t received the form he sent nine days previously. During the conversation, it transpired that that the address on the letter wasn’t the correct address, and the returned form should’ve been sent to Sunderland. Unhappy with this new information, Mr T wrote a second complaint letter to the business stressing the urgency of the matter.

In a Final Response Letter dated 21 January 2022 – in relation to the complaint raised on 7 January 2022 – the business upheld the complaint and in summary made the following key points:

- The pandemic had a significant impact on the efficiency of its operation which it can’t entirely compensate for.
- Although it can’t always answer calls in person, it checks its voicemails on a daily basis and passes on messages to the relevant teams.
- Its policy is only to facilitate a withdrawal from an investment if an investor followed its advice process.
- If it advised a withdrawal, the process usually takes five working days to instruct the provider to sell funds. Overall, the process can take two to three weeks.

- It's sorry for the difficulties faced by Mr T contacting it and for not returning his calls promptly.
- It offered £50 compensation for the communication issues.

Unhappy with the business's response, Mr T made another complaint. On 22 January 2022, he completed a second set of withdrawal forms and sent this to the correct address. On 24 January 2022, he was contacted by the business to say that it'd be in touch with the provider to expedite the withdrawal. The provider also confirmed it had received the second set of instructions and instructed the trades the same day.

On 26 January 2022, the business confirmed that the original form – sent on 12 January 2022 – had been received by the provider at its Sunderland office.

In a second FRL dated 27 January 2022, the business upheld the subsequent complaint. In short, it said:

- It wasn't aware that the provider had recently updated its form – only the new forms provided an email address to return to.
- The address provided was still the provider's address – not the correct location – and it arranged for the sale of units, and when it settles, it'll deal with the withdrawal request.
- In any case for providing the incorrect address it offered £50 compensation.

Mr T disagreed with the business's latest response. He said the incorrect address delayed the matter by a week resulting in £500 worth of loss. The valuation on 24 January 2022 was £1,2981 and on 18 January 2022 the valuation was £1,3487.

In due course, the funds were provided to Mr T's account on 2 February 2022.

The business maintained that it wasn't responsible for the delay in withdrawal or the loss in investment value. Additional factors such as the incorrect date of birth recorded on the provider's system added to the delay which wasn't down to the business.

One of our investigators considered the complaint but (initially) didn't think it should be upheld. In short, she said:

- The provider confirmed that the issues relating to the date of birth wasn't an issue that caused the delays.
- The business explained that an advised process was necessary so that investors would understand the risks.
- On 10 January 2022, an adviser called Mr A – but he didn't want advice – so his response was recorded, and a form was sent out.
- Even though there was a three-day delay, it wasn't unreasonable in the circumstances. It was important for the business to follow its process and Mr T to be aware of the risks involved. The £50 compensation offered in respect of this (delay) is broadly fair and reasonable.
- The provider confirmed that it notified all independent financial advisers (IFA's) of its change of address – and that that forms could be returned via email – on 26 April 2021 – but it couldn't confirm if it notified the business. It's likely the provider would've notified Mr T of this change too, but on balance, she can't say that it notified the business. So, in the circumstances it wouldn't be fair to blame the business for the delay, or any financial loss suffered by Mr T as a result.
- The £50 compensation offered for the mistake – namely for providing the incorrect address which caused a delay in the surrender – is broadly fair and reasonable. But

she can't blame the business as there's no evidence that it was aware of the provider's address change.

- It's not entirely clear when the first form was received by the provider. Although it says it would've forwarded the form the next day following receipt. This would suggest that any delays in receiving the form at the correct office was down to postal issues.
- The business and provider also suggested that there have been some postal issues, which would support the contention that any delays were down to postal issues.
- The chronology would suggest the following:
 - On 12 January 2022, the form was sent to the incorrect address.
 - Despite what the provider says, the form wasn't received at the correct office until 26 January 2022 – so took 14 days.
 - On 22 January 2022, the second form was sent and received on 24 January 2022, only two days later.
- Whilst there has been a delay, she can't say it's the business's fault. In other words, it's unlikely it was the business's fault even though there's no way to verify it.
- Despite what Mr T says, the £100 total compensation offered for the distress and inconvenience caused is broadly fair and reasonable, and no further compensation is warranted.

Mr T disagreed with the investigator's view and asked for an ombudsman's decision. There has been some correspondence between him, the business, and the investigator but in summary he made the following key points:

- He was tempted to forget about the whole thing. But having spoken to an IFA he'd like to pursue matters.
- The provider confirmed that it sent notifications of the address change to "*all Intermediaries and IFAs on 26 April 2021*" so why hasn't the investigator believed that. Has she even asked the provider whether it received all surface mail from the business during the period of 26 April 2021 to 20 January 2022 – that answer to that would prove whether or not the business was aware of the address change.
- Unless a letter is sent recorded delivery, how can you prove it was sent. Postal services very seldom fail to deliver, yet on a balance of probabilities the investigator believes that it wasn't.
- The central issue is that the delay was caused by the business providing the wrong address. But there seem to be red herrings and unanswered questions.
- In summary:
 - Despite what the provider said, the investigator chose to believe the business.
 - Why did the business say the date of birth issue delayed the process if not to discredit his complaint?
 - The Royal Mail delay is irrelevant as it was the wrong address on the form given to him by the business that caused the delay. On a balance of probabilities, the business was aware of the change of address.
 - If he had an execution only account, why did the business want to contact him (albeit belatedly) to offer advice?
 - How does the investigator explain that on every account statement it mentions the business as his intermediary/adviser? And does this mean that he can reclaim the 'adviser' charges that he's paid over the last 15 years or so.
 - He's received at least six apologies from the business about the delays/mistakes, yet no one seems to think it's relevant.
 - One apology suggest it could've returned his call sooner. Why was he advised by email that someone would contact him the next day, but he wasn't called back until four days later. Why did it take another two days to email the

correct form?

- The six-day delays contributed to the delays processing his request overall, therefore he maintains his claim for £500 financial loss.

The investigator having considered the new submissions was persuaded to change her mind. In summary, she said:

- She was under the misapprehension that the business wasn't Mr T's IFA. However, because it was, it's likely that it would've received an update regarding the address change.
- The provider confirmed that it notified all IFA's prior to 25 April 2021, therefore the business made a mistake by sending out a form with the incorrect address to Mr T.
- Notwithstanding the £50 compensation offered in respect of the delay, the business needs to do more to put things right.
- The first set of forms took 14 days to be delivered to the provider. Notwithstanding what the business says about postal delays, he would expect the letter to be received within a couple of days of it being sent.
- The first form was sent back by Mr T on 12 January 2022 so it's likely that the letter would've been received by 14 January 2022.
- The provider confirmed that it received the second form on 24 January 2022, the valuation was complete by 25 January 2022 and the funds paid on 2 February 2022.
- Based on the above timetable, the valuation ought to have been done by 15 January 2022. There was an issue with the date of birth, but the business corrected its own mistake, and this didn't delay the process.
- To put things right the business should work out the value of Mr T's investment on 15 January and compare this to the price on 25 January 2022, and pay him the difference, with 8% simple interest.

The business agrees that it should've sent Mr T the correct address at the outset. However, it disagrees that it would've taken two days just because this is how long it took the other form.

The provider was also unable to determine when it received the form and the pandemic was affecting the post. Concluding that the delay was due to the first form going to the old address, implies that the provider sent the form promptly, but it didn't forward the form for two weeks.

According to the investigator's view Mr T sent the first form by first class post and the subsequent form by recorded delivery – the latter was likely to have been delivered sooner because of that. Despite Royal Mail officially having the same target date, staff blogs would suggest that they were asked to prioritise tracked mail. Also, improvements in staffing since and recovery from the Christmas period would've had an impact.

Our investigator having considered the issues, wasn't persuaded to change her mind. In short, she said that applying the timescale from the second form the date is likely to have been 15 January 2022. She can't agree that the second form was delivered within two days because it was recorded delivery. Both first class and recoded delivery post aim to deliver letters the next working day according to the Royal Mail website.

As no agreement has been reached, the matter has been passed to me 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.

Having done so, I agree with the investigator's latest conclusion for much the same reasons. I'm going to uphold this complaint.

Because the business upheld the complaint – it accepts that it made errors and should've supplied Mr T with the correct address – I'm going to consider the issue of redress and whether it's fair and reasonable in the circumstances. Had the business not made this recent concession I would've found it more likely (than not) that it – as Mr T's intermediary and IFA – was notified of the address change back in 2021, therefore it did send Mr T the incorrect information, which is fundamentally behind this delay.

Having considered the redress, I don't think the £100 compensation offered by the business for the errors (resulting in delay) is fair or reasonable in the circumstances.

However, I think the investigator's recommendation – to compare the value of the investment on 25 January 2022 with the value it would've been on 15 January 2022 and pay the difference if there's a loss with 8% simple interest – in addition to the £100 already offered by the business (but not yet paid because Mr T refused the offer) is broadly fair and reasonable in the circumstances.

I note the key contention by the business is that it isn't responsible for the length of delay as suggested by the investigator. But on balance I don't agree. It failed to provide Mr T with the correct address when it ought to have done, which it now accepts by virtue of its concession that it knew (or ought reasonably to have known) the correct address when providing Mr T with the initial form.

I note the comments the business makes about Mr T sending the first form by "*first class post*" – sent on 12 January 2022 and eventually received by the provider on 26 January 2022 – and the subsequent form sent by "*recorded delivery*" – sent on 22 January 2022 and received by the provider on 24 January 2022 – and that by virtue of this difference, it's unfair to use the two-day timeframe in the first instance to calculate redress. But on the face of the evidence, and on balance, despite what the business says I don't agree with its analogy.

Regardless of what the business says, I'm not persuaded that recorded delivery guarantees faster delivery compared to first class post. I note the Royal Mail website confirms that it aims to deliver both first class post and recorded delivery the next day. In my opinion, the fundamental difference here is that one method is tracked and the other isn't, and there's no undertaking that one will get there faster than the other – and presumably the difference in cost is due to the additional cost of the tracking service and not speed of delivery.

I'm also aware that there's a premium service available which is a next day "guaranteed" delivery service, which costs more than the recorded delivery service – to pay for the guarantee – but that's not what Mr T used. So, in this instance, I think the distinction drawn by the business – in order to justify a longer delay period – is unpersuasive and artificial.

I can't say with certainty when the first form would have been delivered if Mr T had been provided with the correct address at the outset. However, in this instance and on balance, I don't think the investigator's recommendation to use a two-day period (based on when the second form was received) to work out redress is unreasonable. Besides, I'm aware that the new forms also have an email address to return the form to, so it's arguable that had the business not made an error the process (potentially) could've taken less time to complete.

I note the first form was sent on 12 January 2022, in the circumstances, and on balance, I think it's likely that it would've been received on 14 January 2022 and the valuation and

trade completed by 15 January 2022. Therefore, and on balance, I think the investigator's recommendation to compare the value of the investment received on 25 January 2022, with the value he would've received on 15 January 2022 and pay the difference if there's a loss – together with 8% simple interest to mark the fact that Mr T didn't have access to his money and the £100 compensation previously offered for distress and inconvenience caused – is broadly fair and reasonable.

Putting things right

Wren Sterling Financial Planning Limited should work out and pay Mr T the following redress:

- Compare the value of the investment on 25 January 2022 with the value it would've been on 15 January 2022, if there is a difference pay Mr T the loss with 8% simple interest from the date of payment to the date of settlement.
- Pay Mr T £100 compensation for the distress and inconvenience caused.

My final decision

For the reasons set out above I uphold this complaint.

Wren Sterling Financial Planning Limited should work out and pay Mr T the redress as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 31 May 2023.

Dara Islam
Ombudsman