

The complaint

In brief summary, Ms H complained about what happened when she opened a new account with AJ Bell Management Limited ("AJ"). She said AJ was responsible for misleading advertising which suggested certain funds could be purchased via its platform although that proved not to be the case when Ms H attempted to place an order. She then had various problems when she decided to apply for a different investment instead.

What happened

Ms H said she was prompted in January 2021 to open an account with AJ as it offered the opportunity to invest in a fund in which she was particularly interested, not offered via other trading platforms.

Ms H opened a new account (the Dealing Account) taking £1,300 funds out of investment elsewhere in order to do so.

Ms H thought she would be able to benefit from buying into the fund she hoped to invest in but was greatly disappointed to find it was no longer being sold by AJ.

However, having already moved her money to AJ, Ms H decided instead to open a savings account offered on AJ's platform. An email exchange followed between Ms H and AJ about the process for funding the savings account which required her to send money from her AJ Dealing Account to a specified bank account in order that it could be paid into the savings account. Ms H said this wasn't advertised when she opened the account. After a couple of unsuccessful attempts to transfer the £1,300 that Ms H wanted to invest, this money ended up being automatically returned to her.

Ms H was then asked to make a £1 deposit, which she understood was for the purpose of confirming identity, and after doing so, she was subsequently able to successfully pay the £1,300 into the savings account.

This left the £1 deposit payment with AJ in an account Ms H said she didn't any longer want to use so she attempted to arrange for it to be transferred back into her nominated bank account.

Ms H was concerned to note that a week or so later the £1 still didn't appear to have been credited back to her bank account. She sent further emails about this and spoke to AJ's customer services department on the phone.

Ms H was told that the £1 transfer had been blocked for security purposes. She felt this was perplexing and concerning, given that the £1,300 was transferred from the account.

Ms H was particularly worried that the missing £1 suggested the possibility that she had a wrong account linked to her AJ account and so her identity and money could be abused. She said her entire experience with AJ had been stressful and uneasy so she escalated a complaint.

AJ sent a final response letter dated 26 May 2021. AJ said its Withdrawals Team received her withdrawal request of £1 on 28 January 2021 and as there had been no dealing on her account, the payment required additional verification checks before AJ could complete the request.

AJ said it appreciated her frustration that it had to verify this small payment amount but as a regulated entity it was required to do this – and it took security of its customers' accounts seriously.

AJ confirmed it aimed to process withdrawal requests as soon as possible, and this sort of request was ordinarily processed within five working days – as happened here. It said the payment was made by CHAPS on 4 February 2021, which it believed was reasonable.

Ms H wasn't happy with this response. She felt it focused solely on the delayed £1 payment and she said AJ had missed the deadline set by the ombudsman for dealing with a complaint by about a month.

So she brought her complaint to us.

One of our investigators looked into what happened and sent his view letter on 30 December 2021. He understood Ms H's concerns were:

- about AJ's process around authorising her new account, and
- not being able to purchase the specific investment that AJ had advertised once she had opened her account for this purpose, and
- AJ's lack of communication and email responses

Our investigator thought, in brief summary, that AJ had acted fairly and reasonably in its dealings with Ms H – its emails had accurately explained what Ms H needed to do and whilst he recognised it had been a frustrating and anxious time for Ms H, he was satisfied that AJ had correctly followed its internal processes within a reasonable timescale.

In response to her complaint about being misled by AJ's advertisement, our investigator explained that AJ hadn't addressed this in its final response as Ms H hadn't raised this with AJ.

It had however pointed to the relevant part of its terms and conditions which stated that it could alter the range of investments offered on its platform at its discretion and without notice.

So our investigator didn't uphold Ms H's complaint.

In response to the investigator's view, Ms H said she didn't accept it answered her main concerns about AJ's operational deficiencies and unclear process of account funding, as well as deceptive advertisements that certain funds could be purchased via their platform. And she didn't think the investigator had accurately understood that her complaint about what had happened with the £1 payment concerned AJ's failure to send it back to her account and its failure to respond to her.

There was a further exchange of emails. Ms H still didn't feel the investigator had addressed her concern that AJ had advertised on its website investments it was unable to offer – which she said was 'misleading and unethical'. And she sent screenshots which she said showed the fund was still being advertised.

Our investigator went back to AJ for some further information.

This prompted AJ to send a final response letter to Ms H on 10 February 2022 setting out its formal response to complaints that she had been unable to invest as she hoped and that AJ had failed to make clear to her that she would be unable to do so.

AJ confirmed what it told our investigator. In summary, AJ said the same day that Ms H opened her Dealing Account on 6 January 2021 the Financial Conduct Authority (FCA) imposed a ban on the sale to retail clients of cryptocurrencies and broader investments that track performance of such investments. Prior to this announcement, investors had been permitted to purchase these investments. AJ said that as it wasn't responsible for the FCA's decision it didn't accept it was responsible for the issues that Ms H had experienced.

AJ pointed out that information Ms H had seen on its website (which she had relied on in making her plans to switch some of her investment funds to AJ) was provided for research purposes, as whilst there is a ban on the purchase of these investments, existing holders were permitted to retain such investments.

Our investigator sent a second view letter on 29 April 2022 explaining why he still didn't think this was a complaint we should uphold. Whilst he was sympathetic to Ms H's position and could appreciate why the information she had seen led her to feel that she'd been misled, he didn't consider that AJ acted unreasonably by allowing these pages to show on its website. He said that if Ms H had spoken to AJ before opening the account, he was satisfied that she would've been made aware of the ban on the fund.

Also, the ban was announced by the FCA in October 2020 – three months prior to coming into action. So he felt this information would've been available to Ms H to enable her to make an informed decision about where to invest before she opened her AJ account. As our investigator couldn't say that AJ misled Ms H, he said he wouldn't be asking it to do anything differently.

Ms H was dissatisfied with this response. It's my understanding that she mainly felt the response didn't properly address the issue of wrongful and misleading advertising, that quoting from terms and conditions didn't answer her particular concerns, and she was unclear on the chronology of communications she had received from us.

The complaint came to me to decide. I issued a provisional decision.

What I said in my provisional decision

Here are some of the main things I said.

"There's information on our website which explains the Financial Ombudsman Service approach and I've kept this in mind while deciding this complaint.

I'm sorry Ms H feels our investigator didn't investigate the complaint thoroughly or address all her complaints in the way she expected. I am aware that this has been the subject of separate correspondence.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant to the outcome.

As there have been a number of complaint issues, I think it might be helpful if I consider these, broadly speaking, in chronological order.

I have first considered Ms H's complaint concerning the information she saw on AJ's website that prompted her to transfer £1,300 to AJ in order to invest in the specific investment she hoped to buy into.

I understand her complaint is that the information on its website was misleading – and that she was misled by it.

I'd like to assure Ms H that I have independently reviewed all the available information before reaching my conclusions. And having done so, I agree with our investigator, for broadly the same reasons, that this isn't a complaint we can uphold.

I accept that the sole reason Ms H opened a Dealing Account with AJ was to enable her to invest in the particular product that was of interest to her. It seems she had relied on screenshots showing the performance overview for the particular fund alongside a screenshot showing the option to buy or sell the fund. So I can completely understand why it was frustrating to discover that this investment opportunity wasn't open to her.

But I can't fairly hold AJ responsible for the fact that regulatory changes by the FCA, which took effect the same day that Ms H applied to AJ to invest, meant that AJ could no longer offer this product to new investors.

Its terms and conditions make clear that customers can only place orders for "permitted investments" – and that AJ can alter the range of permitted investments at any time without notice. So I can't say that AJ did anything wrong when it didn't allow Ms H to invest in her product of choice as it was no longer a "permitted investment" given the FCA ban and AJ no longer offered it.

Although AJ said the FCA had previously given notice of its intention to ban dealings of this sort some three months earlier, I don't think there was any particular requirement on AJ to include this information on its website. Nothing I've seen suggests to me that AJ was actively seeking to solicit new business of this type. It explained that the pages which Ms H seems to have been influenced by were licensed to AJ by a third party and the market information they showed was intended to enable customers to research the investment.

That seems a fair response to me.

AJ didn't advise or recommend this investment to Ms H. She acted on her own volition when she chose to open a Dealing Account with AJ. I'm mindful that Ms H felt that AJ's "*processes constituted wrongful advertisement*". But, based on all the information I've seen and been told, I haven't seen enough to persuade me that AJ misled Ms H in any respect when she decided to open a Dealing Account with it.

Ms H mentioned in one of her responses to our investigator's view that these pages were still on AJ's website after the ban took effect. But that's not a reason for me to uphold her complaint.

I think it's fair for AJ to say that these pages show information of interest to customers who had already invested in the product ahead of the ban. So I can't fairly or reasonably say this affects the outcome of Ms H's complaint.

A significant part of Ms H's complaint related to what happened when she next decided to buy into a different investment product AJ offered – the savings account. Ms H told us that she transferred money to AJ needlessly and invested in a low paying cash account that did not meet her needs as she already had a reasonable amount of cash investments. She said the cash account that she placed the money in is providing a substantially lower return than

the investment that she wanted to use the account for. To put things right Ms H said she wanted an apology and compensation for the lower return she is getting on her cash compared to the fund she wanted to invest in.

I've considered what she told us about this and how upsetting she found what happened. I am sorry that Ms H didn't feel that our investigator properly got to grips with this part of her complaint. To be clear, it's my understanding that Ms H feels AJ is responsible for delays that occurred, first when she was trying to move money into her savings account and then when she was attempting to recover the £1 deposit payment.

I've reviewed everything. I can see why AJ's requirements might have seemed confusing and I appreciate why Ms H felt concerned about the security of her ID and her money. But I understand why AJ needed to ask Ms H to go through the steps she had to take in order to get her new savings account set up. Its emails explained what she needed to do. And its literature explained that moving money out of the Dealing Account was potentially subject to delay as customers would be asked to pass authentication checks each time when withdrawing cash. Those checks were required to meet compliance requirements and designed to protect customers' money.

It's unfortunate that things seemed to get muddled when she tried to recover the £1 payment. But whilst things didn't happen as quickly as Ms H would have liked, the savings account was set up in line with her instructions, the £1 was returned to her bank account, her account security was not put at risk and everything was sorted out within what I consider was a reasonable time frame.

Looked at overall, I haven't seen enough to make me think that AJ delayed unreasonably in dealing with Ms H's emails or queries. I've also carefully listened to the call recording when Ms H discussed her concerns with AJ's customer services agent.

Ultimately, in order to uphold this complaint I have to be able to say that AJ did something wrong or acted unfairly or unreasonably towards Ms H – and I haven't seen or heard enough to make me think that happened.

I haven't overlooked the fact that Ms H also complained that AJ missed the deadline for responding to her complaint by about a month. In its final response letter sent on 26 May 2021 it explained that a high volume of correspondence received had, on occasion, led to increased response times. AJ apologised for not responding to Ms H's initial email sent on 1 February 2021 – it said it did however meet its usual timescale for responding to an email she sent on 3 February 2021.

I can understand why AJ's priority at the time was putting into effect what Ms H wanted to achieve – getting her new savings account set up and sorting out the return of her £1 deposit – which AJ did. And although its final response letter was sent late, I can't see that this has resulted in any financial loss or otherwise disadvantaged Ms H. In the circumstances, I don't consider AJ's failure to send a more timely final response letter on that occasion warrants any further redress.

I also don't think it was initially made clear to AJ that Ms H had wanted AJ to respond to her complaint about being misled into opening the Dealing Account – when it became clear this was an ongoing complaint issue AJ sent a further final response letter covering this.

So this is why I'm not upholding any part of Ms H's complaint. This means I can't fairly and reasonably award Ms H any redress as she has asked.

If I haven't commented on everything Ms H has said during the course of this complaint, that's because I don't feel there's anything more I can usefully add to what has already been said by the investigator or commented on elsewhere. But I hope that setting things out as I have done helps to explain how I've reached my conclusions and that Ms H will at least feel that her complaints have been given serious consideration even if this isn't the decision she was hoping for."

What the parties said in response to my provisional decision

Ms H is unhappy with what I've said in my provisional decision. She is concerned that I may not have correctly understood the sequence of events and the issues she is complaining about. She said AJ took the £1 just fine and set up the account correctly - there was no issue with this. The problem happened when she tried to withdraw the £1. She is concerned that AJ was able to accept the money without any difficulty but had issues refunding it.

AJ told me it had responded to all complaints received from Ms H, it agreed with my provisional decision and has nothing to add.

As I have now heard from both parties in response to my provisional decision, I think it's reasonable for me to proceed with my review of this complaint.

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.

I appreciate that Ms H feels strongly about what happened and she holds a different view to me. I would like to assure her that I've taken carefully into account everything that's been said, including her comments in response to my provisional decision. Ms H hasn't provided me with any new information that changes what I think about this case. I'd already considered the main points she has mentioned above when thinking about my provisional decision and addressed all the points raised which had a bearing on the outcome.

I can understand that Ms H is disappointed in the outcome of her complaint. But, as no further comments have been received in response to my provisional decision that change what I think about this case, I still think it's fair not to uphold this complaint for the reasons I explained in my provisional decision.

My final decision

For these reasons, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 27 September 2022.

Susan Webb
Ombudsman