

## The complaint

Mr and Ms W complain about the distress and inconvenience they were caused by Aberdeen Standard Fund Managers Limited when they wanted to make a withdrawal to pay for a house purchase.

## What happened

Mr and Ms W had held an account with Aberdeen, and its predecessor businesses, for more than 20 years. In 2021, they were buying a house in the UK and needed to withdraw funds from their Aberdeen account. Ms W told us she decided to make two withdrawals but, when she phoned to make the first withdrawal, she was told Aberdeen needed evidence to verify her and Mr W's identities.

Mr and Ms W had difficulties providing the information Aberdeen said it required, because they were visiting the UK to purchase a property and some of the paperwork was at their home address which was abroad. They managed to provide the required documents, but they said they were effectively locked out of their account and couldn't make the second withdrawal. They say they nearly lost out on the purchase of their property because they had to delay the exchange of contracts. And they may have lost out on the value of the units they encashed because of the delay in being able to give the second withdrawal instruction.

Aberdeen said it had wrongly told Mr and Ms W that it needed to verify their identities. When they phoned to make the withdrawal, they should have been told that they *may* need to provide additional information. It paid them £50 for the inconvenience caused.

After Mr and Ms W referred their complaint to us, Aberdeen offered to pay them an additional £50. It said Ms W had received poor service during her phone call on 31 August and that its final response to the complaint should have provided a fuller explanation about what had happened. But it said there hadn't been any delays in paying the withdrawal proceeds to Mr and Ms W's bank account.

Our investigator concluded that Aberdeen's offer was fair.

Mr and Ms W didn't agree. They replied in some detail to say, in summary, that:

- They were UK citizens who'd returned to the UK and couldn't go back to their home abroad because of Covid restrictions. They had nowhere to live in the UK and wanted to move into a home as soon as they could.
- They had no way of knowing how long Aberdeen's investigation would take. They kept phoning to ask when they could make the second withdrawal but were told they would be contacted. It wasn't until 2 September that they were told they'd been cleared of money laundering.
- They were locked out of their account from 27 August. They would have made the second withdrawal on 30 August and exchanged contracts the day after if there hadn't been any problems.

- The money was paid within timescales once they were allowed back into their account but, at the time, Aberdeen gave them no indication of how long its checks would take. This was extremely distressing when they were trying to purchase a house and had nowhere to live.

### **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.

Firstly, I'm aware that I've summarised this complaint in far less detail than the parties and in my own words. There is a considerable amount of information here but I'm not going to respond to every single point made. 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.

Having carefully considered everything, I find I have come to the same conclusion as the investigator. Let me explain why.

When Ms W phoned Aberdeen on 27 August 2021 to make a withdrawal, Aberdeen should have told her that it *might* need to request paperwork to verify her and Mr W's identity. This is its standard procedure and covers situations where it doesn't hold up to date documentation in its records and where checks are required to fulfil its anti-money laundering obligations.

Aberdeen wrongly told Ms W that it needed her and Mr W to provide certified paperwork to verify their identities and address. When Ms W called it on 31 August, it had the opportunity to provide her with the correct information. It should have told her she didn't need to provide any documentation for herself; and it should have checked if it needed information for Mr W. The information it did provide during this call, as with the call on 27 August, was wrong, and unhelpful.

Mr and Ms W have explained how difficult it was for them to provide the information. I find Mr and Ms W spent time and money obtaining the documentation, which Aberdeen since confirmed was never needed.

Not only were Mr and Ms W put to this expense of obtaining certified documents, it was particularly difficult for them because of their circumstances, (some of their paperwork was at their home address). And it was particularly stressful for them because they needed the money to buy their home.

I've firstly thought about whether Aberdeen's mistake led Mr and Ms W to make a financial loss. And I'm not persuaded that it did. The withdrawal they requested on 27 August was credited to their bank account on 1 September; and the withdrawal they requested on 2 September was credited to their account on 7 September. Allowing for weekends and a bank holiday, I find the payments were made within Aberdeen's usual timescale of three working days.

Mr and Ms W say they would have given instructions for the second withdrawal on 30 August if Aberdeen hadn't made a mistake. But 30 August was a bank holiday. They also say they were locked out of their account, so couldn't give the second instruction until Aberdeen confirmed the first payment had been successful – which it did during a phone call

on 2 September. I'm not persuaded Aberdeen's mistake prevented Mr and Ms W from giving the second withdrawal instruction earlier than they did. I say this because I've not seen evidence to show they were locked out of their account or prevented from giving any instructions. On 31 August, when Ms W phoned Aberdeen, she was told the information they were looking to provide would be enough to satisfy its requirements. This was the first working day after 27 August, and I find Ms W could reasonably have given the second withdrawal instruction during this call if she'd chosen to do so. And it seems to me that Mr and Ms W misunderstood what Aberdeen meant when it referred to an "investigation". This was an investigation into their complaint, not into any suspicions of money laundering. I don't find Aberdeen told Mr and Ms W they were under investigation for money laundering.

Overall, I'm not persuaded Mr and Ms W would have given instructions for the second withdrawal any earlier than they did, or that they would have exchanged contracts at an earlier date, had they been given the right information by Aberdeen from the outset. So I don't find Aberdeen's mistake led to a financial loss.

I've gone on to consider the stress and inconvenience Mr and Ms W have been caused.

The first payment credited Mr and Ms W's bank account on 1 September. They weren't aware of this until the following day. But by this date, they knew Aberdeen had all the information it needed to make the second payment. Mr and Ms W had therefore suffered five to six days of not knowing if and when the payment would be made. During this period they worried that their house purchase might fall through, so it was clearly a stressful time. They also had to go to the considerable trouble of unnecessarily obtaining certified documents.

I don't think Aberdeen has fully appreciated the impact its mistake had on Mr and Ms W. I consider £200, in total, is fair and reasonable compensation for the distress and inconvenience its mistake caused. I appreciate this is still far lower than Mr and Ms W think should be awarded, and they've mentioned that Aberdeen should be penalised for what it's done. But we don't have the power to fine or punish businesses. This is dealt with by the regulator, the Financial Conduct Authority (FCA). My role is instead to consider individual disputes and reach an outcome I think is fair and reasonable in the particular circumstances of each. I'm satisfied I've done that here.

### **My final decision**

For the reasons I've explained, my final decision is that Aberdeen Standard Fund Managers Limited should pay Mr and Ms W £150, in addition to the £50 it's already paid, to compensate them for the distress and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Ms W to accept or reject my decision before 22 December 2022.

Elizabeth Dawes  
**Ombudsman**