

The complaint

Mrs H complains about the service provided by abrnn Fund Managers Limited ('abrnn') when it took longer than it should've done to deal with her request for the release of funds it held on her account after a planned share sale in June 2022.

This complaint is brought on behalf of Mrs H by her representative. I am grateful to Mrs H's representative for her assistance in bringing this complaint. But, to keep things simpler, I'll mostly refer to Mrs H as the complainant as this complaint is about Mrs H's account.

To put things right, Mrs H (and her representative) would like more compensation than abrnn offered to pay.

What happened

The background facts are not in dispute. Mrs H's representative has set out in some detail what happened and why this has been such a frustrating process and abrnn agrees that it didn't provide a good enough service on this occasion, which meant Mrs H had to wait longer than she ought reasonably have had to wait to receive her sale proceeds. So, as abrnn has upheld Mrs H's complaint, I will concentrate on the question of fair redress, which is the main concern now and the reason Mrs H has requested an ombudsman referral.

Over the course of dealing with this matter, abrnn paid Mrs H £150 compensation and offered to pay Mrs H a further £100 in settlement of her complaint.

When our investigator looked into what happened, he felt that abrnn's offer of £250 compensation in total was fair and reasonable. He didn't think he could fairly or reasonably ask abrnn to pay Mrs H more and he couldn't ask abrnn to award compensation to Mrs H's representative.

Mrs H didn't agree with the investigator. Through her representative, she has expressed disappointment and said that an additional £100 doesn't seem a fair and reasonable amount of compensation for what both Mrs H and her representative have been through.

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 can completely understand that what's happened has been upsetting and frustrating for Mrs H. I'd like to reassure Mrs H that I've looked at the complaint afresh. Having thought about everything I've seen and been told, I've independently reached the same conclusions as our investigator. I'll explain why I say this.

A large part of the frustration that has arisen in this situation understandably reflects the impact of what happened on Mrs H's representative. I can understand that she had to spend a lot of time chasing things up for Mrs H due to the service failings and errors on the part of abrdn. I sympathise with her position.

But this complaint relates to the way abrdn handled Mrs H's money and her representative, who has no standing in the matter in any personal capacity, is effectively a 'third party'. This is an important distinction which goes to the heart of what this service can do in this situation.

We can only tell a business to pay compensation for upset and inconvenience experienced by its client, not by a third party.

This means, when thinking about what I can fairly and reasonably require abrdn to do to put things right, I must keep in mind that redress for its poor service is owed to Mrs H, rather than to her representative. Although it was mostly Mrs H's representative who engaged with abrdn and she was involved in dealing with matters on a day to day basis, she was representing Mrs H's interests rather than her own. So, even though it was Mrs H's representative who was put to the trouble of trying to sort things out with abrdn, under the rules governing our service, as representative, she isn't entitled to any personal compensation.

It is how abrdn's failings affected Mrs H that matters when thinking about whether abrdn has provided fair compensation to reflect the extent and impact on Mrs H of what happened. There's more information on our website which explains the Financial Ombudsman Service approach. Briefly, I can require abrdn to do more here for Mrs H only if I find that it hasn't already done enough to put things right.

I agree that Mrs H was entitled to expect a better level of service from abrdn than she experienced. Her particular concern seems to be that the additional £100, on top of the £150 already paid via her representative, is insufficient for all the distress and inconvenience she's been caused. I've thought carefully about this. This additional £100 compensation reflects abrdn's failure to have told Mrs H sooner that it wanted her to provide further verification of the Power of Attorney ('POA') she provided. It accepts that it should have told her this information as soon as she sent the POA to abrdn and, had it done so, I think it's likely that matters could have been brought to a satisfactory conclusion for Mrs H more quickly.

I've taken into account what Mrs H has said about how everything affected her – even to the extent of making her unwell. I'm very sorry indeed to learn this. And I accept that whilst it was mainly Mrs H's representative who had all the stress of sorting things out on a day to day basis, the unnecessary delay impacted directly on Mrs H and was an ongoing worry for her, until the matter was resolved.

Thinking about all this, I find the way abrdn assessed overall compensation owed to Mrs H reflects the level of award I would make in these circumstances had it not already offered this amount. I don't doubt that abrdn's poor handling of matters, which it admits, caused Mrs H significant distress and inconvenience but I think the payment it has made/agreed to make is fair compensation for this.

I understand that the sale proceeds Mrs H was waiting for were paid to her promptly once the issues affecting the POA were sorted out. In these circumstances, I don't think it would be fair to ask abrdn to make any additional payment.

Putting things right

To put things right for Mrs H, abrdn should pay redress amounting to £250 in total – so to be clear, if it hasn't already done so, it should pay Mrs H a further £100 on top of the £150 compensation it has paid already.

My final decision

I uphold this complaint in part and direct abrdn Fund Managers Limited to take the steps set out above to put things right for Mrs H.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 25 July 2023.

Susan Webb
Ombudsman