

## The complaint

Mr H complains about the time taken to action his request to encash his ISAs – and obtain access to his money – by Financial Administration Services Limited, referred to as “Fidelity” or “the business”.

## What happened

In late January 2023, I issued my provisional decision, a copy of which is stated below and forms part of my final decision. In the decision I said:

*“...subject to any further submissions, provisionally I’m going to uphold this complaint. On the face of the evidence, and on balance, despite what the parties say, I think the business should pay Mr H £250 compensation, plus 8% simple interest, comprised of the following:*

- The distress and inconvenience caused by delays/complications in processing his request to encash his two ISAs – especially given that he was resident abroad at the time and having to deal with the matter over the phone taking into account the different time zones.*
- Interest, at 8% a year simple, to mark the lack of access to his funds in respect of the first ISA – for the period of July 2022 to August 2022 – for which I think the business is responsible*

*I’m aware that the first ISA was encashed shortly after Mr H’s instructions on 19 May 2022, but for various reasons – which I will discuss below – he didn’t have access to the proceeds until 19 August 2022. I’m aware that the second ISA, although it remained invested, wasn’t encashed until 25 August 2022 and the proceeds paid shortly thereafter.*

*Based on what the business says, it seems that it has already paid Mr H £150 compensation inclusive of interest. If that is correct, the business should pay him another £100 compensation to make up the balance.*

*Before I explain further why this is the case, I think it’s important for me to recognise the strength of feeling Mr H has about this matter. He has provided submissions to support the complaint, which I’ve read and considered carefully. However, I hope that he won’t take the fact my findings focus on what I consider to be the central issues, and not in as much detail, as a discourtesy.*

*The purpose of my decision isn’t to address every single point raised. My role is to consider the evidence presented by him, and the business, and reach what I think is an independent, fair and reasonable decision based on the facts of the case.*

*In deciding what’s fair and reasonable, I must consider the relevant law, regulation, and best industry practice. But it’s for me to decide, based on the available information I’ve been given, what’s more likely than not to have happened.*

*In this instance, I’ve only considered the actions of the business in respect of the delays*

*encashing the ISAs and Mr H having access to the proceeds. The other complaint that Mr H had raised with our service – but not initially with the business – has now been resolved and isn't the subject of referral for my consideration.*

*I'm aware that Mr H submitted instructions to encash his two ISAs on 19 May 2022, and that the first ISA was encashed shortly thereafter, although it's not clear what happened to the second at that stage.*

*It's likely that because Mr H also submitted a mandate for his bank details, the business was obliged to carry out verification – I don't think it can be criticised for doing so. I note the business attempted to do so, on 20 May 2022, and again a few days later on 23 May 2022, when the business called the telephone number previously provided by Mr H.*

*I understand that Mr H was residing abroad at the time and was unable to provide/upload his personal mobile number because the business wanted a 'valid UK number', so he provided his home phone number instead. Based on what Mr H says, he didn't think that the business would need to call him to verify his details. I note he says he's had his bank account for 15 years, and if the business needed to contact him, it could have done so on his mobile number that he previously used to contact the business. This might explain why he didn't volunteer any additional information about the (home) telephone number at the outset, and who was likely to answer it in his absence.*

*In any case, I note the business spoke to Mr H's father (erroneously concluding it was Mr H) when it wasn't, and then his mother (erroneously concluding that it was his wife), neither of whom were (unsurprisingly) aware of his instructions. I also note that Mr H's parents have their own account(s) with Fidelity, so they were suspicious and justifiably thought it was a fraudulent call as neither of them had provided any online instructions in respect of their account(s).*

*Whilst I appreciate what the business says about Mr H's full name and security, on balance I think it could've done more to manage and control the call on 23 May 2022, and clarify who it was talking to – without breaching security – in order to decipher/confirm that the associate wasn't in fact talking to the correct Mr H.*

*I'm mindful that other than asking if she was speaking to Mr H there was no other evidence that it was the right person, and yet she concluded that it was, on the strength of the recipient's answer to only one question. Whilst I appreciate the business called the phone number supplied, it was evidently a home number and therefore it was likely that other persons (with the same surname) might answer.*

*In the circumstances it could be argued that it was apparent that the associate wasn't speaking to 'the Mr H' – who submitted the instructions – and therefore could've done more to establish this fact. Despite Mr H's mother cutting the call short, the verbal exchange leading up to that point wasn't clear or helpful, so I'm not surprised Mr H's mother cut the call short.*

*I'm also mindful of the subsequent confusion caused by the business, suggesting that it had called and spoken to Mr H's wife – who wasn't authorised to speak to the business on his behalf either – which no doubt would've added to the distress and inconvenience caused.*

*Whilst on balance, I'm unable to say that the business did anything wrong by placing a hold on the account as a matter of process and reporting the matter to its FPT, on balance I think this situation – and the need to place a hold on the account in the first instance – could've been avoided had the call in question been handled differently.*

*It's arguable that if the call of 23 May 2022 had been dealt with better matters would've been resolved at the end of May and not the end of June – as when Mr H called there would have been no fraud marker, and no issue and so they could have proceeded. Having said that, I'm mindful that Mr H provided the telephone number in the first place – so I don't think matters could've proceeded sooner than I've suggested.*

*On balance, I don't think the business needed Mr H's email (dated 9 September 2022) to work out that it had been speaking to his parents. I'm mindful of the call from him dated 26 May 2022 in which he made clear that the telephone number supplied by him was his home/parent's number, and that the business shouldn't call that number because his parents will answer, and presumably not have a clue about any instructions he'd placed. Mr H also asked for the time zone to be taken into consideration and explained that he has to file paperwork – costing \$100 a year for every ISA – and that's why he wants to close down the accounts.*

*I appreciate that the hold, once placed, might explain why the business on subsequent occasions wasn't able to discuss details more openly with Mr H. However, if the phone associates on the subsequent occasion(s) had been aware of the history – on balance I think they ought reasonably to have been – they could've had a more productive discussion with Mr H notwithstanding the fraud marker on the account. I also note Mr H agreed to a call back on his mobile number once the system was back up, but this didn't happen, and matters seemed to progress no further, despite his best efforts.*

*Whilst I appreciate what the business says about not being able to release funds until the verification process had been completed, I think it would've taken a lot less time had the business called Mr H back and/or issued its verification documents towards the end of May 2022, rather than wait until 17 June 2022 to even start the process.*

*In my opinion, and on balance, I think the business ought reasonably to have sent out the verification request around late May 2022. I note Mr H is unhappy that it was sent by 'seamail' but I don't think I can blame the business for this, given that it's a matter for the business how it communicates with its customers, especially with those customers abroad.*

*If the business had sent the verification in late May 2022, notwithstanding Mr H's complaint in the interim, it probably would've received the verification information back by mid-June 2022, and the hold probably would've been removed by late-June 2022 – when Mr H would've received the proceeds of the first ISA. In other words, on balance, I think Mr H is more likely (than not) to have received the proceeds a month and a half earlier than he did for his first ISA. In the circumstances, I also think the business should pay interest for the above period that he was without access to his money, at a rate of 8% simple a year, which is generally the rate applied by our service.*

*The compensation payment also includes the delay in encashing the second ISA. Although I'm mindful that ISA remained invested, and there was no financial loss to Mr H. Therefore, it isn't necessary to consider what Mr H would've received had his ISA been encashed sooner and so on.*

*On the face of the evidence, and on balance, I think the sum of £250 compensation – comprised of the payment for distress and inconvenience, and 8% interest for the period that Mr H was without access to his funds – is broadly fair and reasonable. I'm also mindful that Mr H was in the middle of sorting out his taxes abroad, and that's why he was trying to encash his ISAs in the UK. Despite what Mr H says, this also takes into account the time and effort he spent trying to sort out the issues, whilst residing abroad.*

*I appreciate Mr H may be unhappy that I've reached a different conclusion to the investigator, but I still haven't given him what he wants.*

*Whilst I appreciate his frustration, on the face of the available evidence, and on balance, I'm unable to give him what he wants, other than the £250 compensation, plus interest, which I think is broadly fair and reasonable."*

I gave the parties an opportunity to respond to my provisional decision and provide any further submissions they wished me to consider before I considered my final decision.

Mr H responded and accepted my provisional decision. He said:

*"Thank you for your mail and follow up.*

*I am happy with the statement and although frustrated at the situation, consider the conclusions fair and reasonable given the circumstances.*

*Thank you for all your help."*

The business also responded and accepted my provisional decision.

### **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.

In light of the parties accepting my provisional decision, my decision to uphold this complaint remains the same, principally for the same reasons as set out in my provisional decision.

In other words, and on balance, I'm still satisfied that the key points remain the same, and have been considered by me, in my provisional decision.

On the face of the evidence, and on balance, I still think the business should pay Mr H £250 compensation, plus 8% simple interest, comprised of the following:

- The distress and inconvenience caused by delays/complications in processing his request to encash his two ISAs – especially given that he was resident abroad at the time and having to deal with the matter over the phone taking into account the different time zones.
- Interest, at 8% a year simple, to mark the lack of access to his funds in respect of the first ISA – for the period of July 2022 to August 2022 – for which I think the business is responsible.

As I mentioned in my provisional decision, I'm aware that the first ISA was encashed shortly after Mr H's instructions on 19 May 2022, but for various reasons – which I've discussed in my provisional decision – he didn't have access to the proceeds until 19 August 2022. I'm aware that the second ISA, although it remained invested, wasn't encashed until 25 August 2022 and the proceeds paid shortly thereafter.

Based on what the business said, it seems that it has already paid Mr H £150 compensation inclusive of interest. If that is correct, the business should pay him another £100 compensation to make up the balance, plus the interest.

### **Putting things right**

Financial Administration Services Limited should pay Mr H £250 compensation for the distress and inconvenience caused by the delays, and 8% simple interest on the value of the first ISA for the month and a half that he was without access to his funds.

I understand that £150 has already been paid, if that's correct, Financial Administration Services Limited should pay Mr H another £100 to make up the balance, plus the interest.

### **My final decision**

For the reasons set out above, and in my provisional decision, I uphold this complaint.

Financial Administration Services Limited should pay Mr H redress as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 March 2023.

Dara Islam  
**Ombudsman**