

## **The complaint**

Mrs C has complained about the delays caused by Financial Administration Services Limited ('Fidelity') in providing the book costs for her General Investment Account ('GIA') which she transferred to another platform provider.

## **What happened**

Mrs C held a GIA with Fidelity. She wanted to move the account to another platform provider which I shall refer to as 'B' in my decision. As part of the move Mrs C needed the book costs for capital gains tax ('CGT') purposes in order for her to be able to accurately report to HMRC.

The book costs were requested but there was a delay in them being provided and Mrs C has said she incurred additional costs because of the time her accountants had to take in trying to assemble a CGT report. She suffered further worry and anguish. Fidelity had provided poor or no service which resulted in delays and inconvenience.

In its response to Mrs C, Fidelity said that it didn't have to provide CGT information. But it did have an add on feature for CGT purposes which its website made clear had limitations.

Remaining dissatisfied Mrs C brought her complaint to the Financial Ombudsman. She said that because the book costs were unknown it wasn't possible to assess any potential losses or gains for capital gains tax purposes. So, she wasn't able to take any action with her investments with B. Mrs C says this caused her a financial loss. She wanted an apology and comfort that other investors wouldn't suffer similar losses and anguish.

After Mrs C brought her complaint to the Financial Ombudsman, Fidelity confirmed that it had been able to provide a schedule of the book costs for her account. It also said it had paid £50 into Mrs C's account because she had been misled. She didn't accept the offer.

In its submission to the Financial Ombudsman Fidelity said that it was Mrs C's responsibility to have recorded the information that she was seeking. But it acknowledged that it should have made this clear to B earlier. Because of this it increased its total offer to £200. We passed this offer onto to Mrs C.

Mrs C rejected the offer of £200, so our investigator proceeded to assess the complaint. She said;

- She outlined the dates from when the report was requested by B until the correct contact details were provided to B in February 2021.
- Mrs C had said the CGT report was industry standard information so not having it would have caused her frustration. But the investigator concluded there were no regulatory requirements for this or that it formed part of the agreement Mrs C had with Fidelity.
- Fidelity did provide a CGT tool, but this was a value-added feature which had its limitations, and which couldn't be relied upon.

- Fidelity provided a Confirmation of Transaction letter when trades on account were carried out and the onus was on Mrs C to make any tax determinations based on the information those letters contained so she couldn't find that Fidelity was at fault.
- However, Fidelity should have explained the extent of its obligations in response to B's requests at an earlier date. That delay caused Mrs C distress and the investigator thought the total of £200 offered because of that was fair.

Mrs C didn't agree with the investigator. It was the book costs that she needed rather than a CGT report and it was only Fidelity who had that information. The information Fidelity eventually provided wasn't in accordance with the regulator's guidelines. B had to rely on lengthy reconstruction and non-compliant information sent by Fidelity after many delays.

As the complaint couldn't be resolved it has been passed to me for a 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.

After doing so, I have reached the same conclusion as the investigator, and broadly for the same reasons. I appreciate Mrs C feels strongly about her complaint and will explain further.

Mrs C has said that she wants some comfort that other customers won't go through the same experience she has. But I can only consider complaints on their own individual circumstances so I can't make such a finding.

The information a business is obliged to provide its customer – over and above any regulatory requirements about reporting of transactions etc – would be within the agreement between the customer and the business.

In assessing this point, Fidelity has confirmed that it sent a Confirmation of Transaction letter (a contract note) to the customer or the customer's independent financial adviser whenever a transaction took place on Mrs C's account. And the book cost and purchase date for capital gains tax purposes would be recorded in that contract note. The same would apply to any sale transaction contract notes. Those contract notes would provide the acquisition costs/sale proceeds and dates that would be needed as raw data for CGT calculations in order to manage the CGT for the account and to report to HMRC. So, I am satisfied that Fidelity carried out the actions it was obliged to do with regard to book costs.

Some financial firms do provide CGT services such as offering CGT reports, the management of CGT on a customer's behalf and provision of a consolidated tax voucher for HMRC reporting as examples. But these would inevitably incur a cost – and if such a service was offered by Fidelity – I can't see that it was one that Mrs C took advantage of.

But Fidelity did tell us that it does have a value-added tool for its clients that can assist with CGT, but that tool had limitations in the information it provided. I've referred to Fidelity's 'A brief guide to Fidelity capital gains tax report' which said that the CGT 'reporting tool has been designed to make it easier for you to understand any CGT liability you have to declare on your tax return'.

The document makes clear that the information given is not to be regarded as any form of tax advice and that customers should always seek appropriate expert advice in relation to tax. It explains that the acquisition costs and disposal proceeds would be recorded in the contract notes. It provides other information about CGT and then has a detailed 'Disclaimer' section outlining the limitations of the report.

The disclaimer makes clear that the CGT reports 'do not act as a substitute for maintaining records yourself to substantiate any tax return or filing you make.' So, looking at the service Mrs C did receive I am satisfied that Fidelity acted as it should. It provided the contract notes that recorded acquisition costs and disposal proceeds at the times of the relevant transactions that would be needed for any CGT calculations and in order 'to substantiate any tax return or filing you make'. Those contract notes were sent to either Mrs C or her independent financial adviser, so she was already in receipt of that information.

But the CGT added value tool isn't the issue here. It's about the information Fidelity was responsible for providing with regard to book costs. Fidelity's responsibility was to provide contract notes that gave information for the basis of working out whether there were any losses or gains on investments for CGT purposes, its management and any reporting or tax due to HMRC. It did offer the CGT added value tool but explained the significant limitations and that any tax calculations weren't tailored or take into account the individual customer's circumstances.

In conclusion, Fidelity had already provided book costs/disposal proceeds information for any transactions that had taken place while Mrs C was a customer via the provision of contract notes. So, Mrs C already had access to the raw information needed to establish any unrealised gains or losses. Fidelity didn't have an obligation to provide any other information over and above that but did offer the facility of the CGT tool to assist its customers. So, I can't agree that Fidelity hasn't acted as it should have done.

However, like the investigator, and as already recognised by Fidelity, I think it should have responded to B sooner about the limited information it could provide. And undoubtedly this delay would have caused Mrs C distress and inconvenience as she was waiting for this information – which Fidelity couldn't provide – in order to manage any CGT on her account and report to HMRC. Fidelity initially offered Mrs C £50 but later increased this offer to £200 in recognition of the delay in confirming this with B and the impact that had on Mrs C. I think that offer is a fair reflection of the distress and inconvenience that was caused by Fidelity.

Mrs C has said the information provided in the book cost report she has been given is 'not in accordance with the FCA Guidance note 'Making transfers simple'...' If Mrs C has any concerns about that, she will need to raise them with Fidelity.

### **Putting things right**

Overall, I don't find that Fidelity didn't provide the agreed service to Mrs C with regard to the book cost information. But I do agree that it should make an offer for the poor service she received by Fidelity not confirming its limitations of the information it could provide at an earlier date. And taking all of the above into account I think £200 is fair and reasonable in the individual circumstances of Mrs C's complaint.

If Mrs C does accept the offer, Fidelity should ensure that it pays the full £200 or evidences to Mrs C that it has already paid her the £50 originally offered.

### **My final decision**

My final decision is that I uphold Mrs C's complaint and Financial Administration Services Limited should pay the compensation already offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 6 April 2023.

Catherine Langley  
**Ombudsman**