

The complaint

Mr S complains that Medical and General Independent Financial Advisers Ltd delayed acting on his instructions to withdraw money from his ISA. He wants compensation for his financial loss and for the distress and inconvenience caused.

What happened

Mr S had an ISA account held on a third-party platform. Medical and General provided financial advice to Mr S and was authorised to give instructions on his ISA account.

Mr S says that in February 2020 he became concerned about the potential impact of Covid 19 on the markets, and the value of his investments, so he decided to withdraw £70,000. He says he emailed withdrawal instructions on 13 February, but he became aware on 24 February that his instructions hadn't been carried out. He received the money he'd requested on 4 March but remained unhappy about what had happened. He complained to Medical and General in November 2021.

Medical and General upheld his complaint. It apologised for the delay in acting on Mr S's instructions, which it said was because his email had been received in its spam folder. It couldn't say exactly when Mr S's funds would have been sold if it had acted on his withdrawal instructions when it received the email on 13 February, because of its withdrawal process. It offered to pay him £2,256.89 and explained how it had calculated the loss figure. It offered to pay interest on that amount at 8% per year.

Our investigator concluded that Medical and General's offer was fair and reasonable.

Mr S didn't agree and asked for his complaint to be decided by an ombudsman.

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.

Having done so, I agree with the conclusion reached by the investigator for the following reasons:

Mr S sent his email on 13 February 2020 and Medical and General accepts it should have acted on it within 24 hours of receipt.

I've considered whether, having made a mistake, Medical and General has offered to put Mr S back in the position he'd be in if that mistake hadn't been made. Medical and General has calculated compensation comparing the value of Mr S's ISA on 25 February 2020, when it gave the withdrawal instruction to the ISA platform manager, to the value on 14 February 2020, the day after Mr S sent his email. It's calculated that the withdrawal equated to 33.3% of the ISA, so it's calculated 33.3% of the total loss in value.

I can't be certain when Mr S's investments would have been sold if Mr S's email hadn't been received in Medical and General's spam folder. That's because of the withdrawal process which requires a recommendation to be posted and returned by the consumer. But I don't find Medical and General's compensation calculation to be unfair in the circumstances. It offered to pay Mr S £2,256.89. Mr S told Medical and General he'd calculated a loss very close to this amount and he's not provided evidence to show that the loss he incurred was more than Medical and General has offered.

Medical and General offered to pay interest on the compensation of 8% simple per year. I think this is fair and reasonable.

Mr S says he would like compensation for the inconvenience and stress he was caused. I've thought about this carefully. But I don't find the impact of Medical and General's mistake was more than someone would reasonably expect to experience. I say this because:

- Mr S told us he wanted to withdraw money from his ISA because he was concerned about the possible adverse impact of the pandemic on his investments. But I can see that he'd told Medical and General as early as August 2019 that he would be withdrawing money for a car purchase. Medical and General contacted him in February 2020 to check if he'd made progress with his plans and it was following that email that Mr S gave his instructions to withdraw £70,000. There's nothing within the email to suggest that he was concerned about a possible fall in the value of his investments.
- It was Medical and General who contacted Mr S on 24 February to tell him it had only just found his email in its spam folder and that it would be arranging the withdrawal.
- Whilst I appreciate Mr S may have had other priorities, he didn't complain about the delay in acting on his instructions until November 2021. I would have reasonably expected him to complain much earlier than that – and soon after February 2020 – if he'd been distressed about Medical and General's mistake.

As the investigator explained, my aim is to put Mr S back in the position he'd be in if Medical and General hadn't made a mistake. Our role is not to punish a business. For the reasons I've explained, I'm satisfied Medical and General's offer is fair and reasonable.

My final decision

My final decision is that Medical and General Independent Financial Advisers Ltd should:

1. Pay Mr S £2,256.89.
2. Pay interest on that amount at 8% simple per annum from 14 February 2020 to the date of settlement. *

* HM Revenue & Customs requires Medical and General Independent Financial Advisers Ltd to take off tax from this interest. Medical and General Independent Financial Advisers Ltd must give Mr S a certificate showing how much tax it's taken off if he asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 18 April 2023.

Elizabeth Dawes
Ombudsman

