

The complaint

Mr H has complained that Fundsmith LLP placed unreasonable restrictions on his account with them. He has also complained of several service failings.

What happened

The details of this complaint are well known to both parties, so I will not repeat them again here. The facts are not in dispute so I will focus on giving the reasons for my 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.

Having done so, I agree with the conclusions reached by the investigator for these reasons:

- Mr H invested with Fundsmith on five occasions for amounts between £95,000 and £310,000, during the months of June to September 2021. Fundsmith say that for anti-money laundering purposes, they required a signed source of funds declaration for each of these five amounts. I think that was reasonable and in line with their requirements and Fundsmith were acting fairly in requiring this.
- However, Fundsmith say that despite sending written requests for two of these declarations on three occasions, they didn't receive what was required until January 2022. Mr H is unhappy as he says all declarations were sent when requested and that the two missing declarations had been sent in July and August 2021, well before the receipt date of January 2022. He says this saw him with a prolonged time without full access to considerable investments of his (which had come from a sale of a property).
- Whilst I empathise with Mr H, and recognise that it must have been very distressing for him not to have full sight of a considerable amount of investment, I haven't seen enough evidence to safely conclude that Fundsmith received the declarations and did not act on them. Mr H has provided the dates he sent them but no further evidence of them being posted (as stamped and addressed envelopes were used). Fundsmith have shown the dates they received them were in January 2022 and I haven't seen anything to show they received them sooner.
- I am satisfied that Fundsmith made reasonable attempts to let Mr H know there were missing declarations. They sent three letters for the two that were missing, that is in line with their policy and what I would expect. However, when Mr H called in November and December 2021, he was given misinformation and wasn't told over the phone that the declarations were still not received. If he had've been (as he was in January 2022), I am satisfied he would've provided them sooner and had sight of his full invested amount.

- Mr H has said this caused him some financial loss. He says he wanted to buy a property with these proceeds but couldn't because of this issue. However, Fundsmith have said that he could still have accessed these amounts at any time and they weren't made aware of any request for a withdrawal until March 2022, two months after the issue had been resolved. Fundsmith have offered a total of £500 for the inconvenience caused, which includes for not telling Mr H the correct information on the phone in November and December 2021. I think this is a fair amount and I am not satisfied that Mr H suffered any financial loss from the errors.
- Mr H has also said that he wasn't made aware that a bank statement he'd provided didn't match his account details, so they couldn't be verified. However, I agree with the investigator that Fundsmith have provided sufficient evidence that a correctly addressed letter explaining this was sent on 8 September 2021.
- Fundsmith have acknowledged that they didn't correctly look into an issue Mr H made them aware of in September 2021 of his bank details not being recorded on his account page. He had to chase this in November 2021, before anything was resolved. Fundsmith have apologised for this and I think the total compensation offered also recognises the impact this issue had on Mr H.
- In summary, I think Fundsmith did enough until the calls in November and December 2021, to make Mr H aware of the missing declarations. However, I'm not satisfied he suffered a financial loss from this but rather it was distressing and inconvenient. As it also was not to have the account details issue he logged looked into sooner.

For these reasons, although I understand Mr H's frustration, I think the offer made by Fundsmith to settle the complaint is fair.

My final decision

My final decision, for the reasons set out above, is that the offer already made by Fundsmith LLP to settle the complaint is fair. To put things right, Fundsmith LLP should pay Mr H a further £300 (on top of the £200 they have already paid).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 27 April 2023.

Yoni Smith
Ombudsman