

The complaint

Mr B complains that Quilter Investment Platform Limited (Quilter) failed to action his request to cancel his withdrawal from his Collective Investment Account (CIA). He says he lost money from being disinvested and has a potential tax liability.

Mr B is being represented with this complaint by his adviser. But for ease, I will refer to all actions and comments as being those of Mr B.

What happened

Mr B's advisor sent Quilter a request to withdraw £325,000 from his CIA (which held OEICs, UTs and ETIs) on the morning of 21 October 2021. A request to hold off on this withdrawal was sent later that day and then a request to cancel the withdrawal was sent to Quilter the following day.

However, the withdrawal request was completed on 26 October 2021 and £325,000 was disinvested and moved into a cash holding with Quilter. Mr B complained.

Quilter initially replied in January 2022. They said they would put Mr B back in the position he would have been in, had the withdrawal in error not occurred. Mr B was unhappy with the lack of clarity regarding any potential tax liability, so Quilter replied further in March 2022. They said they would reverse the withdrawal once Mr B had reinvested the money back into the CIA through his adviser. They would also consider any reimbursement of extra tax paid due to the error, upon receipt of evidence of it.

Mr B chose to withdraw the amount as cash on 25 March 2022 and reinvest it into a new portfolio shortly afterwards. Quilter said they could not reverse the initial error, they instead completed a price comparison and said Mr B had not suffered any financial loss. Mr B was unhappy with this and the time it had taken, so brought his complaint to this service for an independent review.

Our investigator looked into it. He noted that the adviser had compensated Mr B separately and was looking for compensation from Quilter, but confirmed that would not fall as part of this investigation. He proposed a new loss calculation and that Quilter should pay Mr B £350 compensation for the distress and inconvenience caused.

Neither party was happy with the outcome. Quilter replied to say that whilst they were happy with the compensatory figure, the loss calculation they had used was fair. Mr B replied to say he didn't think Quilter were rectifying the matter correctly.

As no agreement was reached, the case 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.

Quilter acknowledges that the request to cancel the withdrawal instruction was sent to them, prior to the withdrawal being completed. They had made offers to put things right for Mr B. However, so far and despite the involvement of the investigator, neither party have been able to get to an amicable resolution.

When there is a business error, it is my role to put a customer back in the position they would have been in (or as close as possible to it), had that error not occurred.

In this situation, Quilter made a reasonable offer to reverse the withdrawal, if Mr B reinvested the amount that was sitting in cash. However, due to reasons including the time Quilter had taken (it had been nearly six months) and a loss of trust in them, Mr B no longer wanted to do that. I think this is reasonable.

Mr B has however, still suffered a potential loss from the disinvestment. The amount was taken from the cash holding in March 2022 and reinvested elsewhere. I believe the reasonable thing to do would be to compensate Mr B for the difference between what the amount was worth at that point compared to what it would have been worth had it remained invested (not surrendered in October 2021).

Quilter have already agreed to cover any potential tax liability arising solely from this October encashment (no evidence of any has been provided as of yet) and to provide Mr B a letter of apology and pay him £350 compensation for the inconvenience caused. I think this is fair considering the time that was taken and the impact this situation had on Mr B.

In summary, I think it is reasonable that Mr B didn't want to reinvest the sum, almost six months after the withdrawal in error. I think Quilter should pay him what the amount would have been worth had it been still invested at this point, rather than sat as cash for all that time. I think what Quilter has also agreed to do with an apology and £350 compensation is fair.

My final decision

My final decision, for the reasons set out above, is that I uphold this complaint in part and to put things right, Quilter Investment Platform Limited should:

- Pay Mr B the difference between the value of his investment when it was encashed in March 2022, compared to what it would have been worth had the investment remained until that date and not been surrendered in October 2021.
- Provide a clear breakdown of this calculation or show clearly why that has resulted in no loss.
- If there is a tax liability arising from the encashment and Mr B shows it (which he hasn't up until now), Quilter should refund Mr B this extra liability that arises only due to the investment encashment. As they previously offered to do.
- Pay Mr B £350 for the distress and inconvenience caused if they haven't already done so and provide the letter of apology previously offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 February 2024.

Yoni Smith
Ombudsman