

## **The complaint**

Mr J complains Chase de Vere Independent Financial Advisers Limited (“Chase de Vere”) overcharged him fees on his investment portfolio.

## **What happened**

Mr J agreed to pay Chase de Vere’s 1% annual fee on his portfolio by direct debit. He didn’t want this to be deducted from his portfolio. The direct debit payments started but the fee was also deducted from his portfolio. So he was double charged.

Chase de Vere agrees Mr J was overcharged and agreed to resolve this by refunding the direct debit payments for the period in which they were duplicated by deductions from his portfolio. This was the period September 2017 to April 2020.

Chase de Vere also offered to pay Mr J 8% interest on the refund. This was in place of the investment growth lost on the fee amounts when these were deducted from his portfolio. It also offered him a payment for inconvenience.

I wrote to Chase de Vere saying I thought it should consider offering Mr J an inconvenience payment of £300 in addition to the fee refund it had offered – and that the interest it should pay should run until the refund was made, to bring the figures up to date since its original offer. I said this was likely to significantly increase the amount being offered for interest.

Chase de Vere agreed to offer this settlement. Mr J was also willing to accept this settlement as long as he could see an updated calculation from Chase de Vere to confirm his understanding of the likely figures. Chase de Vere didn’t wish to do a new calculation without knowing that the proposed settlement would be agreed.

Both Chase de Vere and Mr J have suggested a final decision be issued as the settlement couldn’t be agreed. As the complaint couldn’t be resolved informally, it is one that I need to decide.

## **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’ve decided to uphold Mr J’s complaint. I’ve decided Chase de Vere should refund to Mr J the excess fees he paid by refunding the duplicate direct debit payments and paying interest on these as redress for lost growth on the fees deducted from his portfolio.

On balance I’ve decided the offer to pay 8% interest to Mr J on the refund is fair and reasonable compensation for this lost growth.

In reaching this view I note that working out the lost growth exactly would be an onerous enterprise in the context of the relatively modest sums that I’m satisfied would likely be involved. I also note that Mr J no longer raises objections to this form of settlement in substance or principle.

I also note and have drawn to Mr J's attention that the direct debit for the fees wasn't adjusted each year as it should have been to reflect changes in the portfolio value - and that the fee deductions implied by this settlement would reflect the actual monthly deductions made from the portfolio based on its actual value, which I think are likely a fair reflection of the fees Mr J would've paid had the direct debits been adjusted properly.

In reaching my view I have also noted, and drawn to Mr J's attention when assessing the adequacy of the 8% figure Chase de Vere proposed, that interest is taxable and that if the redress were paid to his portfolio to restore its value, it's likely he would incur charges or costs on that payment. I have also noted the likelihood that before allowing for that tax and those costs, a return of 8% is more generous to Mr J than an exact calculation of the growth lost on the fees deducted from his portfolio – based on the information I've been provided so far. I note that Mr J will be aware of how his portfolio value rose or fell over time.

I've also decided Chase de Vere's error caused Mr J inconvenience. In particular it told him about the error but then didn't act to correct it until Mr J chased this some months later and it still wasn't resolved a considerable while later, in part due to reasonable concerns raised in Mr J's mind, which weren't adequately addressed, about the adequacy of the redress offer. So I've decided Chase de Vere should also pay Mr J redress for the inconvenience its error caused him.

My view on what is a fair and reasonable settlement is reached with all I've said above in mind. I uphold Mr J's complaint to the extent and on the basis I've outlined above.

### **Putting things right**

Chase de Vere Independent Financial Advisers Limited should put things right by refunding to Mr J the direct debit payments paid for fees on his portfolio in the period September 2017 to April 2020.

Chase de Vere Independent Financial Advisers Limited should pay Mr J simple interest at the rate of 8% gross per year on each refunded direct debit payment from the date each direct debit payment was paid to Chase de Vere until the date of this decision.

The amount of the direct debit payment attributable to Mr J's portfolio, and that should be refunded to him under the terms of this award, should be treated as the proportion of the direct debit payment that is equal to the proportion Mr J's portfolio made up of the combined joint value of his and his wife's portfolios as at May 2017. I use this date as it is one for which we have figures and I've received no objection to its use from either party.

Chase de Vere Independent Financial Advisers Limited should also provide Mr J with a breakdown of its redress calculation in a clear and comprehensible form so that he can see that the amount paid is in accordance with the terms of my award here.

Chase de Vere Independent Financial Advisers Limited should also pay Mr J £300 for the inconvenience its error caused him.

If Chase de Vere Independent Financial Advisers Limited does not pay the redress above to Mr J within one month of receiving from us notification of Mr J's acceptance of my award, Chase de Vere Independent Financial Advisers Limited should also pay Mr J simple interest on any outstanding amounts at the rate of a 8% gross per year from the date of this decision until the date the redress is paid to Mr J.

**My final decision**

For the reasons I've given above, I uphold Mr J's complaint.

Chase de Vere Independent Financial Advisers Limited should put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 28 August 2023.

Richard Sheridan  
**Ombudsman**