

The complaint

Mr R and the estate of Mrs R complain that Link Financial Investments Limited sold the assets held in an Individual Savings Account (ISA) without authorisation and insisted that the funds be payable to an executor of the estate of Mrs R.

Mr R and the estate of Mrs R also complain that Link Financial Investments Limited sent a letter by post during a postal strike, and because there was a delay in repurchasing units in the fund, the value of the fund was lower after reinvestment took place.

What happened

Mr R and the estate of Mrs R engaged a third-party, a business I will call company M, to notify Link that Mrs R had passed. Link emailed company M asking for a copy of the death certificate and included a copy of its "Bereavement Advice" leaflet. Company M later provided Link with a copy of Mrs R's death certificate. Link then provided company M with a valuation for the ISA at the date of Mrs R's passing, a claim form and a letter explaining the steps to follow to release the ISA funds. Link received the signed claim form in late 2022 and shortly after it received the Grant of Confirmation letter from Mr R. Link sold the units in the ISA on 21 December 2022.

After the sale of the units, Link wrote to Mr R and asked for documents to verify a bank account for an executor. A similar request was sent to company M a couple of days later by email. Link received the verification it required in mid-January 2023, and it sent the funds to the executor. Link received a completed Additional Permitted Subscription (APS) form and the disinvested funds from the executor in late January 2023 - allowing Mr R to inherit the ISA allowance the late Mrs R had built-up over the years.

Mr R and the estate of Mrs R complained to Link that it had been aware of Mr R's intention to use the APS for the late Mrs R's ISA, but instead chose to encash the ISA without any instruction to do so – causing the ISA to be sold and then reinvested which resulted in a monetary loss. Mr R and the estate of Mrs R also complained that Link had sent Mr R a letter instead of emailing him – delaying the matter further. Link didn't uphold the complaint and said it had followed its processes and procedures which required it to sell the ISA when it did.

Mr R and the estate of Mrs R brought the complaint to the Financial Ombudsman Service and one of our Investigators looked into things. The Investigator thought that Link hadn't done anything significantly wrong because it followed its own process at each stage, and let the relevant parties know what to expect in the information it sent. The Investigator thought Link replied to parties promptly, and that it hadn't caused any unreasonable delays – and that Link Group only sold the investment when it received the necessary authority to do so.

Mr R and the estate of Mrs R asked that an Ombudsman decides the complaint.

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.

I can confirm that I've independently reviewed the evidence and comments provided by Mr R and the estate of Mrs R and Link. While I may not comment on each piece of evidence or specific comments made, my decision has been based on the circumstances of this case. In this case, I've decided that Link hasn't done anything significantly wrong. I will now explain why.

Instruction to proceed on the basis of an APS

This is really the crux of the complaint. Mr R and the estate of Mrs R have a strong view that they passed on the instruction that Mr R wanted to use an APS to company M – and that company M passed this on to Link. I'm satisfied that Mr R and the estate of Mrs R did pass on this instruction to company M, as a series of emails from Mr R to company M make it clear this is what Mr R wanted to happen. However, I cannot see that Link received an instruction from Mr R and the estate of Mrs R or company M in this regard until January 2023.

Mr R and the estate of Mrs R say that company M notified Link of Mr R's intention to complete an APS in its email of 18 July 2022. I've reviewed that email and while there's a reference to moving the late Mrs R's ISA to Mr R's ISA, I'm not persuaded this is a clear enough reference to alert Link that it was the intention of Mr R and the estate of Mrs R to make use of an APS in this case.

In respect of the process Link followed, I'm satisfied that shortly after the 18 July email, Link emailed company M and included a copy of its Bereavement Advice leaflet. This leaflet explains that the transfer to another ISA isn't available for the type of fund held by the late Mrs R. The terms and conditions of the ISA the late Mrs R held also explained this. Link made it reasonably clear that its process meant the investment would need to be sold before the funds could be released to the executor.

Mr R and the estate of Mrs R believe the funds in the late Mrs R's ISA should have been transferred into an ISA for Mr R using the APS, and crucially that the sale of the units should have happened on the day Mr R's APS application completed. However, at the time it sold the ISA, Link didn't have a completed APS form from company M or Mr R and the estate of Mrs R, or any instruction that reasonably confirmed it was Mr R's and the estate of Mrs R intention that the sale proceeds were to be reinvested using an APS. Link did hold a completed bereavement claim form, but I'm satisfied it didn't hold an APS instruction form at this time. So, in the circumstances of this case, I've decided that it wasn't unreasonable for Link to follow the process it had explained and pay the funds from the ISA to the executor.

Delay in releasing ISA funds to executor

When Mr R and the estate of Mrs R, through company M, provided the late Mrs R's death certificate, Link issued a valuation for the ISA using the date Mrs R passed and sent it to company M. Link explained that its process was to issue a cheque for the value of the ISA to the first named executor – and would do so when it received the Grant of Confirmation and a bereavement claim form signed by all the executors. The letter sent by Link explains what Link would need to verify the account the money was to be paid into, and the bereavement claim form explained that the units would be sold and paid to the first named executor.

Although Link received the bereavement claim form in mid-November, it didn't receive the Grant of Confirmation until later in December and couldn't have been sure who the executors were until this time. Mr R wasn't a named executor and, as the documents previously supplied to company M explain, Link would only pay out the value of the ISA to

the first named executor. Link sold the funds, as instructed to do so on the bereavement claim form and held the funds until it had the bank details for the first named executor. The funds were paid to the first named executor after Link had received this information and conducted verification procedures.

I'm satisfied that it wasn't unfair and unreasonable for Link to sell the units when it did. It had the Grant of Confirmation and a valid claim form completed by the executors. Link was entitled to follow the process it had outlined in its correspondence with company M.

There was further correspondence between Link, Mr R and the estate of Mrs R and company M in late December 2022 and January 2023 in respect of the first named executor bank account. I've seen that Link wrote to Mr R and emailed company M in this regard shortly after it sold the investment. Regardless of this, I think Link had made it clear it could only send funds to the first named executor, and that it needed to verify this account before it could release the funds. Link didn't receive the information it needed to verify the account until mid-January 2023 and there was a short delay in the funds being released. But, taking into account the circumstances of this case, I'm satisfied Link didn't do anything wrong by holding the funds until it had verified the executors account.

I've noted Mr R is unhappy that Link wrote to him in December 2022 about the bank details it required to verify the payment to the executor. I appreciate Mr R was upset because Link didn't use his email address and chose to send a letter at the time of a postal strike. Mr R wasn't an executor and Link did send an email to company M - who were representing the estate of Mrs R – shortly after, so I don't think there was any significant delay here. In this case Link made an error in writing to Mr R, but in my opinion took reasonable and timely steps to put it right.

Mr R and the estate of Mrs R say that its unfair that Link held the funds in a non-interest-bearing account after selling the units. I've already explained that I don't think it was unfair that Link held on to the funds as it hadn't received the information required to verify the executors account. In this case, because I consider Link provided clear instructions about what it needed to release the funds, I don't think it would be fair and reasonable for me to ask Link to pay interest from the date the funds were sold until the date they were released to the executor. If the information requested had been provided, I think it's more likely than not Link would have released the funds on the day they were sold down.

Complaint handling isn't a regulated activity, so I'm unable to comment on how Link dealt with the complaint made by Mr R and the estate of Mrs R. I appreciate there may have been a misunderstanding of the complaint issues, but I'm satisfied that my final decision deals with the crux of the complaint raised by Mr R and the estate of Mrs R.

My final decision

I've decided that Link Financial Investments Limited didn't do anything significantly wrong and I haven't upheld the complaint made by Mr R and the estate of Mrs R.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R and the estate of Mrs R to accept or reject my decision before 13 February 2024.

Paul Lawton
Ombudsman