

The complaint

Mr and Mrs H complain about the service provided by EFG Private Bank Limited ('EFG') during the process of arranging ISA transfers to Mr and Mrs H's new portfolio management service (whom I'll call 'S'). They say EFG was responsible for delays during the transfer to S which caused them a great deal of financial anxiety due to the length of time taken to start the process and how long it took for the transfer to complete.

What happened

Mr and Mrs H held three portfolios with EFG – one each in their own names and one together in joint names. The following timeline briefly summarises what happened when Mr and Mrs H decided to transfer their portfolios:

9 April 2022 – EFG received an email from Mr H saying that the accounts were being transferred within the next 30 days.

13 April 2022 – Mr H emailed EFG to find out if the transfer process had started and who was dealing with it.

28 April 2022 – EFG emailed Mr H to say it didn't have the necessary information to be able to transfer the accounts and requested details and instructions.

6 May 2022 – Mr H told EFG that his new accounts were being opened and his portfolio manager would be in touch.

10 May 2022 – in a letter to EFG, Mr and Mrs H set out their transfer request, identified S as their new provider and gave contact details.

11 May 2022 – EFG received transfer instructions from S for the transfer of all three portfolios belonging to Mr and Mrs H. Holdings were to be transferred in specie (so in their currently held form, without the need to convert the asset to cash) together with any cash balances.

12 May 2022 – EFG initiated internal closure requests to start the transfer process for the three portfolios.

29 May 2022 – EFG actioned the closure requests.

1 June 2022 – this is the date S said it first received contact back from EFG.

10 June 2022 – EFG emailed Mr H and advised it was still waiting for re-registration details it needed from S and it chased for these again.

23 June 2022 – EFG's Asset Transfer Team issued an update in relation the status of the transfers.

- *All equities that S can receive will be settled by tomorrow.*

- *All funds that S can take have been instructed and we have started to see settlement.*

14 July 2022 - EFG said a number of assets showed as awaiting settlement or were awaiting the counterparty to set up an account with their Fund Managers.

15 July 2022 – EFG chased S for updates on the remaining transfers.

From this point on, EFG said it continued to chase and told us that some of the reasons recorded for the ongoing delays it encountered included the following:

- *REJECTED INSTRUCTION AS INCORRECT. E-MAILED (S) FOR CORRECT ONE*
- *COUNTERPARTY SETTING UP THEIR ACCOUNT AT FUND MANAGER. AWAITING THEIR UPDATE*
- *INSTRUCTION PENDING TOO LONG. EFG TO RE-INSTRUCT*

Over the next few months, transfers continued to complete on a piecemeal basis.

At the end of November 2022, EFG was able to tell Mr H that significant progress in the previous 10 days meant it had: *'...completed 94.54% of the transfers and settled 87 out of 90 lines. All that remains are 3 lines all related to the one fundWe are working closely with (S) to unlock this last transfer and then we will be complete...'*

EFG said it had booked follow up calls with S to ensure progress continued.

12 December 2022 – all the remaining transfers from EFG were finally completed.

EFG didn't uphold Mr and Mrs H's complaint about the way it had handled their transfer request. It said it didn't receive an actionable request from S until 11 May 2022, which had caused some confusion when it went direct to EFG's Asset Transfer Team. EFG said the problem was compounded by S sending a number of follow up emails. This resulted in EFG not sending all the necessary paperwork to S for another 12 working days, which EFG said wasn't an undue delay. EFG said it had acted diligently at all times to process Mr and Mrs H's transfers in a timely manner and that there had been no detriment as this was an in specie transfer – in other words, Mr and Mrs H had remained invested throughout. As the transfers weren't yet completed at the time, EFG assured Mr and Mrs H it would continue to liaise with S as it opened relevant accounts to receive the transferring assets.

Mr H didn't feel this was enough to resolve things and he brought his complaint to us.

One of our investigators looked into what happened. He thought that EFG needed to do more to put things right and recommended it should pay Mr and Mrs H £150 compensation to reflect the trouble and upset caused by EFG's delay of around one month at the start of the process.

Mr H disagreed with the investigator and said the brevity of his report meant he had failed to focus on a number of stressful events during a period of eight months. In brief summary, Mr H mainly said that:

- there were significant other ongoing issues with EFG which were costing him money and causing him great concern
- he felt EFG was disinterested in engaging with the transfer process and treating him with disdain
- his client relationship manager at EFG hadn't known about/temporarily lost a significant amount of money that was held in Mrs H's account
- Mr H's letter to EFG's chief executive hadn't produced a satisfactory response and EFG wasn't acknowledging his emails

- he was concerned about how EFG was operating and worried there might be compliance issues
- an amount of £150 didn't reflect the stress and time he had devoted to achieving a resolution and justice.

The complaint came to me to decide. I issued a provisional decision.

What I said in my provisional decision

Here are some of the main things I said.

'I can appreciate how strongly Mr H feels about this complaint. HMRC guidance says that none of these transfers should have taken longer than 30 calendar days. So it's completely understandable that the length of time taken for these transfers all to complete was a source of such frustration and anxiety for Mr and Mrs H.

We provide an informal complaints handling service and this is reflected in the way we approach complaints. It's part of my role to identify and concentrate on the issues I need to address in order to reach a fair outcome. This means I won't necessarily mention everything Mr H has brought to my attention and I've expressed some of his concerns in my own words. But I will comment on everything that makes a difference to the outcome of the complaint.

Mr and Mrs H's core complaint concerns the length of time it took to complete their transfer requests. So I must decide whether there is sufficient evidence to conclude that EFG failed to process a properly completed transfer within a fair and reasonable timescale. I will take into account the relevant law, regulatory requirements and best industry practice. I can tell EFG to pay compensation or take other steps to put things right if I am satisfied that EFG did something wrong or acted unfairly or unreasonably and this led to Mr H suffering some detriment and/or financial loss.

Delays occurred at the outset when EFG was waiting to hear from S. Although Mr H had alerted EFG to the fact that he and his wife intended to transfer their portfolios, I think it was reasonable for EFG to expect to receive a transfer request and take things from there. The onus was on S as the acquiring business to start the transfer process and, in any event, EFG needed information Mr H didn't provide until 11 May 2022. But I think EFG could have explained this to Mr and Mrs H when they first got in touch about the transfer and, had this happened, it's possible things might have moved on more quickly.

Mr and Mrs H were entitled to expect EFG to handle the transfer request within a reasonable timescale. I've taken into account that EFG says the process initiated by S for the transfer was incorrect. But I don't think it's reasonable for EFG to say that it wasn't responsible for delays arising as a result of S initially making contact with its Asset Transfer Team rather than Mr H's client relationship manager. As far as I can see, all three initial letters from S to EFG (one for each portfolio to be transferred) included the name of Mr and Mrs H's client relationship manager as addressee and only one was also addressed to the 'Transfer Team'. In any event, there doesn't seem to me to have been any particular reason why the requests shouldn't have been promptly redirected internally by EFG to the appropriate person to be actioned. It's unsurprising that S was sending follow-up emails when it didn't get a prompt response and I don't consider that what EFG has said about this satisfactorily explains why it took EFG longer than I think it's reasonable to expect to respond to the transfer requests. The time taken for this to happen was unduly excessive in my view.

Whilst it turned out that this delay of 12 days or so didn't ultimately impact significantly on the overall time taken for the transfers to complete, it meant that, right from the start,

Mr and Mrs H had reason to be concerned about the way EFG was dealing with the matter. I think this goes some way towards explaining why they quickly became increasingly anxious and frustrated as matters appeared to drag on.

EFG blamed delays towards the end of May 2022 on the fact that S kept sending multiple emails which caused confusion, particularly as it said these didn't include enough detail for EFG to identify that they related to Mr and Mrs H. EFG also said it was short staffed around this time. I can understand all these things would've made it harder for EFG to handle the transfer effectively. But ultimately, Mr and Mrs H were entitled to expect a reasonable level of service and I consider that EFG fell short of providing this around this time.

After this, it's much less clear to me exactly why the transfers took so long to complete. EFG needed information from S that it says wasn't forthcoming - for instance, when it was waiting for re-registration details in mid-June. Some progress was being made throughout - in July a number of assets were showing as awaiting settlement and/or the next step was for S to set up an account and EFG chased things up with S around this time.

Mr H told us that in August 2022, Mrs H instructed EFG to sell 8 holdings as she was concerned about markets and some of the holdings that couldn't be transferred. I can completely understand why she did that. But I think it's possible this change of instructions would've involved additional work and may have contributed to some further delay whilst these holdings were taken out of the transfer process and actioned differently.

And I've kept in mind that these were high value portfolios involving multiple transfers - not all of which were straightforward. For example, it appears that S was unable to accept all holdings, so this necessitated additional work and added extra time to the overall transfer process. Mr H was aware in October 2022 that there had been an issue settling some holdings with the custodian, which had delayed the transfer of that holding. In another instance, he held a restricted share class with EFG, so further work had been necessary to allow the transfer and switch of the restricted share class.

I think Mr and Mrs H would've had a better understanding of why matters weren't progressing as smoothly or as quickly as they hoped if only EFG had kept them better informed - as they were entitled to expect. Mr H became so upset by the ongoing delays in relation to the remaining transfers and the difficulty he was having obtaining information from EFG about what was happening that he wrote direct to the most senior person he could identify at EFG seeking his intervention. I don't think it was fair that Mr H had to chase EFG continually in order to find out information and get updates on progress that he was reasonably entitled to expect EFG to have provided. I find this poor communication over the many months it took the transfers to complete was a serious failing in terms of the customer service Mr and Mrs H were entitled to receive from EFG - irrespective of the fact that they were transferring their investment business elsewhere.

Looked at overall, I find, on balance, that:

- EFG could and should have done more on occasion to action Mr and Mrs H's transfer requests on a timely basis, in particular in April 2022 when it was made aware of Mr and Mrs H's transfer intentions and in May 2022 when S made contact
- the reasons EFG put forward to explain the delays on its part don't mitigate its responsibility to provide a reasonable level of service to Mr and Mrs H, but there appear to have been wider reasons for the transfers taking so long overall and I haven't been provided with enough information to be able to say that the main reason it took around 6 months for matters to complete was primarily due to error

on the part of EFG or EFG having acted unfairly or unreasonably

- EFG could and should have been clearer and more proactive in its communications with Mr and Mrs H and kept them better informed about what was happening during the transfer process.

For these reasons, I am upholding Mr and Mrs H's complaint.

So I have thought about what EFG needs to do to put things right. I haven't seen any information showing that Mr and Mrs H suffered any loss of investment opportunity or that they are worse off in money terms due to the transfer not happening as quickly as it should have done. So I'm not proposing to make any award for financial loss.

But I consider it is fair to make an award to reflect the frustration, stress and anxiety that Mr and Mrs H were caused as a direct result of the shortcomings I have identified on the part of EFG.

I can understand why this was such an anxious time for Mr and Mrs H – there was a significant amount of money at stake, the transfers took a lot longer than they reasonably expected and they struggled throughout to find out information from EFG about what was happening.

I think the £150 our investigator suggested is insufficient redress. I consider that £300 is fair compensation.

I appreciate this amount falls a long way short of the amount Mr H feels is appropriate but it's in line with the level of award this service would make in similar cases and I consider it fairly reflects the extent and impact on Mr and Mrs H of the delays and shortcomings in the service EFG provided to them on this occasion.

Whilst Mr and Mrs H have raised several different complaint points over the course of this matter and when responding to the investigator's view, I have dealt here just with what I consider to be the main points that affect the outcome of their complaint about the transfer delays.

I believe Mr H is aware already that if he feels he has further cause for complaint (that goes beyond the scope of the original complaint he brought to us), then he should first tell EFG what his concerns are, so it has an opportunity to respond.

If he still feels unhappy after that, he may be able to bring a new complaint to this service. I can't award redress for any complaint where the financial business hasn't first been given a chance to put things right.

I hope that setting things out as I've done helps Mr and Mrs H to understand how I've reached my conclusions and even though the outcome may not be all they hoped for, that they will at least feel that this complaint has been fully considered by the Financial Ombudsman Service.'

What the parties said in response to my provisional decision

Mr H said he has nothing further to add and he will accept my decision. EFG has also accepted 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.

I'd like to thank both parties for all the information that has been provided about this matter and for responding to my provisional decision. Given that I've not received any further evidence or comment that changes my mind about this complaint, I confirm the conclusions I reached in my provisional decision.

Putting things right

EFG should pay Mr and Mrs H £300 to put things right.

My final decision

I uphold this complaint and direct EFG Private Bank Limited to pay Mr and Mrs H, as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 26 July 2023.

Susan Webb
Ombudsman