

The complaint

Mr G mainly complained about:

- delays that occurred during the process of arranging an ISA transfer from Financial Administration Services Limited (trading as 'Fidelity')
- Fidelity's failure to tell him when it rejected transfer requests
- the way Fidelity dealt with his complaint about what happened, in particular, when it omitted to set out his referral rights to this service.

To put things right, Mr G wants Fidelity to apologise and pay him compensation for loss of interest and delay.

What happened

Mr G held a Fidelity stocks and shares ISA. He decided to sell the investments held within his Fidelity ISA and transfer the cash proceeds to two new ISA providers – whom I'll call 'P' and 'S'. Mr G instructed P and S accordingly, completing transfer request forms for P and S to send to Fidelity. The following brief timeline of events gives an overview of what happened next.

30 March 2023 – S contacted Fidelity, forwarding a signed transfer completed by Mr G for part of his funds and confirming that S was happy to accept Mr G's stocks and shares funds.

4 April 2023 - Fidelity received a similar letter of acceptance from P alongside Mr G's signed transfer in relation to the rest of his funds.

5 April 2023 - Fidelity issued a rejection letter to S, saying it couldn't action the transfer request because it didn't offer a partial transfer and a transfer request should be resubmitted.

11 April 2023 - Fidelity again received a partial transfer request from P.

12 April 2023 – Fidelity issued a rejection letter to P, saying it couldn't action the transfer request because it didn't offer a partial transfer and a transfer request should be resubmitted.

14 April 2023 – P wrote to Fidelity chasing up the transfer.

15 April 2023 – S wrote to Fidelity chasing up the transfer.

18 April 2023 – S sent a further letter to Fidelity saying it was still awaiting the transfer documents.

24 April 2023 – P wrote to Mr G saying it had written to his current provider three times and asking him to contact Fidelity himself to try and find out the reasons for the delay.

2 May 2023 – Fidelity received a full transfer request from a different ISA provider ('Y').

5 May 2023 – Fidelity issued a cheque paying the whole of the ISA cash proceeds to Mr G's new ISA provider, Y.

Fidelity didn't uphold Mr G's complaint about not being kept informed about the transfer rejections, saying that it didn't write to clients but responded directly when rejecting a transfer request, as happened with Mr G's rejected transfer requests submitted by P and S.

Mr G didn't feel this went far enough to address his complaint and when Fidelity confirmed it wouldn't be sending a 'deadlock letter' as Mr G had requested, he brought his complaint to this service.

One of our investigators looked into what happened. He didn't recommend upholding Mr G's complaint, mainly saying:

- complaint handling wasn't a regulated activity so he wouldn't be commenting specifically on that aspect, and
- Fidelity had apologised for confusion caused by any misunderstanding but he was satisfied that it wasn't normal business practice for a ceding provider to notify the client when rejecting a transfer request, and
- it was up to the receiving provider(s) to progress transfer requests.

Mr G disagreed. Briefly, he felt we ought to be able to consider all aspects of his complaint and that it would have been appropriate for him to be copied in when the transfer requests were rejected.

So, as the complaint isn't resolved, it comes to me to make 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.

We provide an informal complaints handling service and this is reflected in the approach I've taken when considering this complaint. I'd like to assure Mr G that I've carried out an independent review. Having done so, I've reached the same conclusion as our investigator.

It's part of my role to identify and concentrate on the core issues I need to address in order to reach a fair outcome. This means I won't necessarily mention everything Mr G 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.

This service doesn't have jurisdiction to look into stand-alone complaints that are just about complaint handling. The industry regulator, the Financial Conduct Authority (FCA), says our service can only look into complaints about regulated activities, and complaint handling isn't a regulated activity. I can however consider the customer service Mr G received. And I can tell Fidelity to pay compensation or take other steps to put things right if I am satisfied that Fidelity did something wrong or acted unfairly or unreasonably and this led to Mr G suffering some detriment and/or financial loss. So this is the focus of my decision.

I must take into account the relevant law, regulatory requirements and best industry practice when making my decision.

The relevant account terms and conditions for Mr G's Fidelity ISA state: '*We can only Reregister or Transfer your whole ISA (covering all the Years for which you hold ISA Investments)...*'

Mr G would have had to sign up to Fidelity's account terms and conditions in order to use its services. So I think it's fair to say that Fidelity provided information upfront to its clients that it couldn't process partial ISA transfers and Mr G could've seen this for himself. So I don't find that Fidelity did anything wrong or made any error when it rejected the partial transfer requests it received from P and S in line with the account terms.

Fidelity was still required to act fairly and reasonably – and I think it did. It seems to have responded reasonably promptly to the correspondence received from P and S, clearly stating why it was unable to action the transfer requests submitted. It looks like some of the correspondence between Fidelity and P and S was delayed and/or crossed in the post, which caused some confusion – but I can't fairly say Fidelity is responsible for that happening.

And when Y made contact, Fidelity seems to have completed the transfer promptly, and well within the recommended timescales suggested by HMRC.

I can appreciate that Mr G feels he ought to have been kept more closely informed by Fidelity about what was happening during the transfer process, and in particular, notified by Fidelity when it had to reject the transfer requests. But that wasn't part of Fidelity's normal transfer process, so I can't say it made an error when it didn't do this.

I wouldn't reasonably expect a ceding provider in these circumstances to communicate this sort of information to a client, who has instructed a new provider to acquire the ISA. The onus at this stage is on the receiving provider to ensure it has taken necessary steps to progress a transfer within a reasonable timescale. It's generally expected that ceding and receiving providers will work things out between themselves, reverting to the client only as necessary – as P felt it needed to do in this instance (although as far as I can see, Fidelity had already done what it needed to do to clarify the position).

To sum up, Fidelity was bound to reject the partial transfer requests as it didn't have a process for dealing with this sort of transfer and it had previously communicated that information to Mr G. It processed the transfer to Y within a reasonable timescale. Fidelity wasn't under any obligation to notify Mr G when it rejected transfer requests and I wouldn't reasonably expect it to do this.

After taking into account everything that Mr G and Fidelity have told me, I haven't seen enough to show that Fidelity did anything wrong or that it treated Mr G in a way that wasn't fair and reasonable. So I can't uphold this complaint.

I hope that setting things out as I've done helps Mr G to understand how I've reached my conclusions and even though this isn't the outcome he hoped for, he will at least feel that the Financial Ombudsman Service has fully considered his complaint.

My final decision

For the reasons I have set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or

reject my decision before 27 February 2024.

Susan Webb
Ombudsman