

The complaint

Mr B complains about Seven Investment Management LLP ('7IM'). He says that it delayed the transfer of his investment accounts to another business. This has caused him a financial loss and a considerable amount of distress and inconvenience.

What happened

I'll outline some of the background to the transfers here. Whilst this complaint is against 7IM another business was also involved in the transfer, I'll call this business Firm C. Some of the information Firm C has provided is relevant here, and I've included it in the timeline below.

In respect of Mr B's ISA account:

On 6 July 2022 Mr B contacted 7IM to say he wanted to transfer his Individual Savings Accounts ('ISA') his General Investment Account ('GIA') and his Self Invested Personal Pension Plan ('SIPP'). Mr B has not complained about the SIPP. He received a telephone call to discuss the process from 7IM the same day, and reference numbers for Firm C to use, the next day.

On 11 July 2022 7IM was contacted by Firm C asking for information about how to enact the ISA transfer and it responded the same day. Firm C then asked for further information about Mr B's policies and 7IM provided this to Firm C on 25 July 2022.

On 24 August 2022 7IM informed Mr B that Firm C had not yet sent transfer instructions.

The transfer process was started between Mr B and Firm C on 13 September 2022. ISA transfer forms were completed and signed on 14 October 2022 and sent to 7IM on 10 November 2022.

7IM says it received the transfer forms on 30 November 2022, they had been sent to a general mailbox rather than the specific mailbox it asked Firm C to use. 7IM sent policy valuations on 5 December 2022 to Firm C and these needed to be accepted by it before the transfer could proceed.

On 23 December 2022 7IM provided an update to Mr B about the transfer. And 7IM informed Mr B on 13 January 2023 that Firm C had not yet accepted the valuations as it did not have accounts opened for Mr B.

Firm C has confirmed that the account opening that was needed to complete the transfers did not take place until 18 January 2023. I've noted the reasons why this was, and the various parties involved, but they are not relevant here as this complaint is not against Firm C.

On 18 January 2023 Firm C provided acceptance of the investment values. On 23 January 2023 Firm C took steps to initiate the transfer and dates of 1 to 3 February 2023 to finalise the transfer were agreed.

There was a further delay at this point as Firm C has confirmed that the transfer instructions were rejected by a custodian due an '*incorrect asset setup*'. There appears to have been no involvement of 7IM in this process. This was corrected and the transfer went ahead on 15 February 2023.

In respect of Mr B's GIA account:

The timeline for this is the same as the ISA until December 2022.

On 6 December 2022 7IM received the request to transfer the GIA. It needed to determine if Mr B wanted some overseas stocks altering. Further details, including bank account details, were provided from Firm C on the 12 and 13 of December 2022.

7IM says it was able to begin to process this transfer on 14 December 2022. It required Firm C to provide confirmation of bank details for the transfer and it asked for this on 30 December 2022. These were received on 3 January 2023. Cash payments were made on 4 January 2023 and stock transfers were made on 12 January 2023 to complete the process.

Mr B has complained to 7IM on the basis that it delayed the transfer of the ISA and the GIA. He says that:

- It didn't take reasonable and proactive measures to assist the transfer process or ensure that the transfer took place in a reasonable timeframe.
- It failed to keep him advised and provide information about what he might do with Firm C to progress the transfer promptly. It also didn't communicate the reasons for the delay properly.
- This may have caused him a financial loss as he may have made different investment decisions if he was better informed.

7IM has considered Mr B's complaint but has not upheld it. It said that:

- It initiated the transfers in a timely manner and took action when it was appropriate. it doesn't think that it was responsible for any of the delays.
- It communicated with Mr B reasonably and when required.
- Mr B's investments were transferred '*in specie*' so he had not suffered a loss due to the delays.
- It didn't think the transfer of the GIA was materially delayed. It was processed within four weeks of the receipt of the transfer which was over the Christmas break period.

Mr B didn't agree, and he has brought his complaint to the Financial Ombudsman Service

One of our Investigators considered Mr B's complaint and they have not upheld it. He explained the role of 7IM and Firm C. He said that 7IM had done all it could have to expedite the transfer. The delay in the transfer was not due to any action, or inaction, on its part. And it provided reasonable information to Mr B throughout the process. The delays in the transfer were essentially due to events beyond its control.

Mr B didn't agree. He said he expected better information from 7IM and it should have been more proactive in chasing Firm C. There was no specific or general advice given. Mr B was still his customer, and he was paying an ongoing fee, so they should have advised and helped him achieve the transfer.

As no agreement has been reached the complaint has been passed to me to issue my Final 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.

As I said above this complaint is against 7IM but the situation does involve two businesses. Whilst I won't comment in detail about Firm C's actions, I have considered some of the information provided by it, such as its final response to the complaint, in order to gain a fuller picture of what happened here and whether 7IM is responsible for the delay.

I'll clarify the roles of 7IM and Firm C here. 7IM held Mr B's investments before the transfer. And when he informed it of his intentions to transfer its role would have been essentially to act on the instructions that it had been given promptly and communicate with Mr B reasonably about this. It also needed to practice due diligence and ensure that the transfer was processed correctly, in line with the instructions it had been given.

What it can't do is initiate the transfer and ensure that Mr B had somewhere to transfer to. Firm C needed to do this. And Firm C is the business that is 'driving' the transfer and has a responsibility to advise Mr B (if any advice was given) and fully inform him about the progress of it. It would be expected that Firm C would keep Mr B up to date.

There are three main areas where the transfer was delayed. There was a lengthy delay after Mr B informed 7IM he wanted to transfer, until the transfer process started. There were some delays and problems with starting the ISA transfer after Mr B had completed transfer forms to start the process. And a short delay with the ISA transfer after it had started to proceed. I'll look at these in turn.

Mr B told 7IM that he wanted to transfer his investments in July 2022. There was a long delay at this point before the transfer started to proceed. The information I've seen shows that Mr B and Firm C didn't meet to discuss the transfer until September 2022. Mr B and Firm C met again in October 2022, but transfer forms were not completed at this meeting. I understand they were completed in November 2022 and provided to 7IM in December 2022.

It's not clear to me what 7IM could have done to avoid this delay. It would have needed Mr B's clear instruction to proceed, and it didn't have this until a significant time after Mr B had first informed it that he wanted to transfer his accounts.

And I don't think 7IM needed to provide any further information to Mr B at this point as Mr B would have been aware that he hadn't completed transfer forms and so the transfer could not progress. I do note that 7IM did provide information to Mr B at times. But I don't think it's reasonable to say that 7IM caused any delay or didn't communicate with Mr B properly up to the point it had received the transfer forms.

There was a second delay after the transfer forms were completed. It seems the main reason for this was that Firm C hadn't set up accounts for Mr B. And so 7IM wasn't provided with details about where it should transfer Mr B's funds to. Again, I can't see how the ISA transfer could have taken place at any point before mid-January 2023 for this reason. And, 7IM would have no control over this or have been able to provide any useful updates about any progress.

And in respect of the ISA only, there was a delay at the end of the process when the custodians and third parties that enacted the transfer provided some incorrect information

about the fund. Again, this seems to be an issue outside of 7IM's control. It was down to the third parties that were finalising this investment on its, and Mr B's, behalf. I can't see what further communication that 7IM should have provided to Mr B given it was not involved with this.

As I've outlined above, I don't think there was a material delay with the GIA. It took about a calendar month, but this was over the Christmas period. I don't think this timeframe is unreasonable.

And it's worth noting that Firm C, in its final response to Mr B, largely accepted responsibility for the delays, or said they were caused by other third parties that were not 7IM. It has offered compensation for this that I understand Mr B has accepted.

Mr B says he may have suffered some investment loss. These transfers were processed 'in specie' that is the investments weren't surrendered and new ones' bought. So, Mr B didn't spend any time 'out of the market' and his investments have remained the same. So, there is no loss in this respect.

Mr B says he may have made a different decision about his investments if he had been better informed, or the transfer had happened quicker. But I've seen no persuasive evidence that Mr B was considering anything other than an 'in specie' transfer at the time.

Overall, I'm not upholding Mr B's complaint. I don't think any of the material delays in the transfer of Mr B's investments were caused by 7IM or that it hasn't communicated with him appropriately about the transfers.

My final decision

For the reasons set out above, I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 19 April 2024.

Andy Burlinson
Ombudsman