

The complaint

Mr C complained about the service provided by RBS Collective Investment Funds Limited (RBSCIFL) which he said unfairly delayed a withdrawal from his matured child trust fund, resulting in investment loss.

He didn't feel the compensation offered by RBSCIFL reflected fair redress for the fall in value of his investment and the shortcomings in the service it provided in this situation.

What happened

Mr C held a child trust fund account ('CTF') with RBSCIFL. On his 18th birthday, the account and any funds within it would automatically transfer to a 'matured CTF' account and Mr C would be able to give instructions about what he wanted to do with the money.

Here's a brief timeline setting out the background to this complaint.

On 17 August 2022, ahead of his 18th birthday, RBSCIFL sent a letter to Mr C informing him that once he turned 18, he needed to tell them what he wanted to do through the online portal. Mr C could choose to continue investing with them in an adult ISA, withdraw some or all of his money or transfer to another ISA provider.

This was followed by a further letter from RBSCIFL on 14 September 2022 which explained RBSCIFL was awaiting further instructions which Mr C could now provide through its online portal – a code was provided which Mr C could scan along with the website address.

On 16 September 2022 – Mr C sent a letter to RBSCIFL saying he thought his fund would be 'frozen' on his birthday but it had continued to lose value. He told RBSCIFL he was having persistent problems trying to register on the online portal and getting error messages telling him to send information by post and contact its customer services department. The next day he was able to upload his driving licence and bank statements via the online portal.

On 22 September 2022, RBSCIFL phoned Mr C in response to his letter and discussed what he still needed to do in order to make a withdrawal.

On 28 September 2022, RBSCIFL received Mr C's written instructions regarding making the withdrawal. And on 30th September 2022 the withdrawal request was placed and Mr C's money transferred in line with his request.

RBSCIFL upheld Mr C's complaint in part. It apologised that Mr C and his father had experienced longer than expected hold times when trying to phone and said feedback had been provided to the relevant department. RBSCIFL also said it should have placed the withdrawal on 28 September. It acknowledged that its failure to do this meant Mr C was worse off by some £32 due to the fall in value of the fund over the next two days. As a gesture of goodwill, RBSCIFL made him an ex gratia payment of £50 to cover the shortfall with interest.

Mr C didn't feel this went far enough to resolve things and so he brought his complaint to us and one of our investigators looked into what happened. RBSCIFL subsequently offered to pay Mr C a further £100 to compensate him for the frustration and inconvenience he suffered.

Our investigator thought that the withdrawal request should have been actioned on 22 September 2022 and recommended RBSCIFL should reimburse Mr C for the investment loss calculated by reference to this date, with interest.

Whilst Mr C agreed with our investigator's settlement proposals, RBSCIFL took a different view. It didn't agree with the investigator that loss assessment should be based on the earlier withdrawal date. It stood by its offer to pay a further £100 - bringing total compensation to £150.

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 do appreciate how strongly Mr C feels about this complaint. I can understand it was upsetting to find out that his investment was losing value around the time of his 18th birthday.

It's my understanding that Mr C's main complaint points are as follows:

- correspondence from RBSCIFL had missing information and was misleading
- gaining access to the online portal was a very lengthy and troublesome process and he wasn't warned about that
- had he been able to make the withdrawal on or sooner after his 18th birthday, his investment would have been worth more and he holds RBSCIFL responsible for the shortfall.

Mr C put things this way: *'their correspondence, and their website, do not provide relevant information on how to gain access to their portal, leaving sufficient time for their inadequate processes to work.'*

How businesses choose to operate and the services they offer are matters that come under the oversight of the regulator - the Financial Conduct Authority (FCA). I do not have the power to tell a financial business to change its process, including giving directions about the timing of information and communications. That's the role of the regulator. For these reasons I won't be responding to Mr C's concerns about RBSCIFL's process for dealing with a CTF when it approaches maturity on the account holders 18th birthday.

In order to uphold Mr C's complaint I have to be able to fairly say that RBSCIFL has done something wrong or acted in a way that wasn't fair and reasonable and this led to Mr C suffering financial loss or some other detriment. So that's the approach I've taken.

I don't consider that RBSCIFL's letter of 17 August was misleading. It explains that Mr C needed to confirm what he wanted to do through the portal when he turned 18. He would then be able to make the decision about when to transfer/withdraw the account. It is made clear the fund value can rise and fall and the value "*It is currently worth...*" is not guaranteed until the deal has been placed. I don't think there was anything in that letter, or the 14 September letter to suggest that the fund was '*frozen*' at the value quoted on 17 August.

Mr C couldn't register for the portal or give instructions about the CTF before he was 18 because the CTF doesn't allow that. He was always able to access the website where he could find out more information about what happened when a CTF matured. From what I've seen on the website, I think the information Mr C needed to know would have been reasonably accessible and understandable.

So I don't uphold this part of Mr C's complaint.

RBSCIFL has upheld Mr C's complaint about the systems issues with its portal and accepted that customers were kept on hold for longer than usual when trying to call its helpline. So I don't need to say more about this or make any findings about what has been agreed. But I've kept this in mind when thinking about fair redress.

The main area of dispute seems to be how far service failings on the part of RBSCIFL contributed to delaying Mr C's withdrawal. I think it's fair to say that the earliest possible date that the withdrawal could have happened here was on 28 September 2022. Up until that point, Mr C hadn't provided everything that was required in order for RBSCIFL to be able to process his withdrawal request.

I've taken into account the difficulties Mr C had uploading documents to the portal – I can see that this proved troublesome and that he wasn't able to access the portal on all the occasions he tried to do this. But this makes no overall difference because ultimately, Mr C didn't provide the necessary written instruction that RBSCIFL needed until he sent this in the post on 26 September 2022. This is a regulatory requirement that RBSCIFL must comply with so it was unable to action any withdrawal until it received Mr C's written instructions – which it did on 28 September 2022.

I've carefully listened to the call recording when RBSCIFL phoned Mr C on 22 September 2022 to talk him through everything and clarify what was required. Mr C doesn't recollect all the details of this call but I am satisfied that it was made clear that he still needed to provide written instructions (along with some additional information to satisfy ID verification requirements).

The call handler told Mr C there was '*... a quicker way than post*' and explained how he could download his latest bank statements and provide this information as a pdf document, showing his address and including a handwritten note confirming withdrawal. He explained Mr C could then go to the website and use the '*upload here*' button at the bottom of the screen.

I am confident that Mr C understood this at the time (even if he's forgotten now) because he repeated all this back to the call handler. He also said he would probably do everything with his father, to whom the call handler had also spoken.

I find that RBSCIFL took all reasonable steps during the call to assist Mr C to complete things at his end so he could make his withdrawal. Using the website would have avoided any further issues with trying to use the portal. And I think Mr C would have realised that this was likely to be the quickest way to be able to finalise making his withdrawal. So I can't fairly hold RBSCIFL responsible for Mr C's choice to send his written instructions in the post.

RBSCIFL has admitted that it should have actioned his withdrawal request more promptly and I agree that it's fair and reasonable that it should be responsible for the further loss in the value of Mr C's investment after 28 September up until the point the withdrawal was made.

Taking these things into account, I find that the £150 offered overall by RBSCIFL is fair and reasonable.

I haven't seen enough to make me think that if RBSCIFL hadn't already volunteered this payment, it would be fair and reasonable to award any more than £150. It's enough to more than cover the investment loss (plus interest) and to reflect the frustration and anxiety Mr C experienced as a result of the systems issues with the online portal and the unduly long call waiting times.

I'm sorry to disappoint Mr C . But as I'm satisfied RBSCIFL dealt with his complaint fairly I'm not telling it to take any further action beyond doing what it has already offered to do.'

What the parties said in response to my provisional decision

I have heard nothing further from Mr C and the deadline for responses has now passed so I think it's reasonable for me to proceed with my review of this complaint.

RBSCIFL confirmed it had nothing further to add and said it accepted the provisional 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. 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

RBSCIFL should pay Mr C £150 in total (so, if it hasn't already, it should pay a further £100 on top of the £50 payment made already).

My final decision

I uphold Mr C's complaint in part and RBS Collective Investment Funds Limited should take the steps set out above to put things right for Mr C.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 12 October 2023.

Susan Webb
Ombudsman