

The complaint

Mr A, Mr A and Ms B as trustees of the A trust complain that Quilter Life & Pensions Limited didn't correctly process instructions for the payment of ongoing charges in an Investment Bond. The trustees of the A trust also complain that Quilter Life & Pensions Limited didn't tell them of a change to a fund name, issued a letter in braille in error and that they were unable to switch funds in the Investment Bond online.

What happened

In January and August 2022 Quilter sold units across all of the assets held in the Investment Bond to pay for ongoing charges, despite holding instructions from the trustees to only use a specific cash fund for ongoing charges. Mr A, representing the trustees of the A trust, complained to Quilter that this had the result of significantly reducing the fund value. Later the same year, Quilter issued a statement for the Investment Bond in braille in error. The trustees were unable to switch funds using Quilter's on-line service and Quilter didn't tell them a fund held within the Investment Bond had been re-named.

Quilter offered to pay the sum of £250 to resolve the complaint. Quilter explained that the fund value had been impacted by other factors and that its calculations support that its error hadn't negatively impacted the value of the Investment Bond. Quilter apologised for issuing a letter to the trustees in braille and said that fund switches could be arranged by the trustees on the telephone or in writing if they were having issues with completing a switch on-line.

On behalf of the trustees of the A trust, Mr A brought the complaint to the Financial Ombudsman Service and one of our Investigators looked into things. The Investigator thought that the offer of £250 and the apology Quilter provided is a fair and reasonable remedy in the circumstances of the complaint.

Mr A, Mr A and Ms B as trustees of the A trust 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.

Mr A, Mr A and Ms B as trustees of the A trust say they've had other service issues with Quilter, but I understand that these other issues have been dealt with in a separate complaint. Therefore, my final decision will address the poor service Mr A, Mr A and Ms B as trustees of the A trust raised in this complaint.

I understand that Mr A, Mr A and Ms B as trustees of the A trust will be disappointed, but for very much the same reasons as our Investigator, I've decided the £250 Quilter has already paid to resolve the complaint - along with an apology for the poor service it provided - is a fair and reasonable remedy. I will now explain why.

Quilter accepts it made an error when it encashed units from across all of the funds in the

Investment Bond, despite holding an instruction to deduct the charges from a specific fund. The trustees of trust A believe that this had a negative impact on the fund value and that Quilter should top-up the value to £127,000 to reflect what they believe the fund value should have been had the error not happened. However, I've seen that Quilter took reasonable steps to ensure the error it made didn't have an impact on the fund value. Quilter reversed the transactions for the fees and recalculated the difference this made to the fund. It's not always easy to put the fund back to precisely where it was – or should have been – particularly when there has been other trading activity in funds across the Investment Bond during the period in question. But I'm persuaded what Quilter has done in this regards is reasonable. Taking into account the corrections, I've decided it's more likely than not that the fund value was impacted by market movements and not the error Quilter made. The trustees say that other funds have performed better than the Quilter funds. That may be the case, but this isn't something I can take into account in a situation like this, particularly as Quilter doesn't provide advice on the investment strategy of the A trust.

Quilter sent the trustees a statement in April 2022. Quilter accepts this was sent in braille and has apologised for this and provided assurances that this won't happen again. This is reasonable in the circumstances of the complaint.

Mr A and the trustees of the A trust say they experienced difficulties when trying to arrange fund switches using Quilter's on-line service. Quilter says that at the time the trustees were experiencing issues on-line there were no known system problems, and that it's more likely than not the trustees were 'timed-out' as part of a security feature in its on-line service. I think it's more likely than not this is what happened here. Regardless of this, the trustees were able to make switches at various times, and the terms and conditions of the Investment Bond explain switches can also be made through calling Quilter's customer centre. I have empathy with the trustees that they experienced issues when trying to make switches on-line, but as Quilter offers an alternative option for such a scenario, I don't think Quilter needs to do anything else in this regard.

When one of the funds within the Investment Bond was re-named in July 2022, the trustees of trust A said they didn't receive a notification from Quilter that this was going to happen. I've seen evidence from Quilter that supports it sent out a notification letter to all affected Investment Bond holders around this time. I appreciate that the trustees of trust A may not have received the notification, but I'm persuaded that Quilter more likely than not sent the notification.

I'm satisfied the poor service Quilter provided to the trustees of trust A will have caused Mr A in particular some inconvenience, but I haven't seen anything that persuades me that the poor service caused a monetary loss to the A trust.

My final decision

I've decided that the payment of £250 and the apology provided by Quilter Life & Pensions Limited is fair and reasonable to settle the complaint in all the circumstances. I won't be asking Quilter Life & Pensions Limited to do anything else.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A, Mr A and Ms B as trustees of the A trust to accept or reject my decision before 20 February 2024.

Paul Lawton
Ombudsman