

## **The complaint**

Mr and Mrs G complain Campbell & Associates Independent Financial Advice Ltd (“Campbell”) failed to invest a total of £51,400 they transferred to it as ISA contributions.

## **What happened**

Mr and Mrs G each held ISAs on a platform I’ll refer to as “Platform A”. Within their ISAs, they paid regular monthly contributions towards a model portfolio product Platform A offered, called “ISA 6 Active Managed Portfolio”. Historically, they’d taken advice on their investments from an advisor at Campbell.

Mr and Mrs G recall making a number of one-off payments to Campbell, with the expectation that their advisor would arrange for the money to be credited to their investments with Platform A. The payments Mr and Mrs G have identified are as follows:

- £10,000 on 15 December 2014
- £10,000 on 18 August 2015
- £6,000 on 22 February 2016
- £5,000 on 6 October 2016
- £10,000 on 1 February 2017
- £6,000 on 2 November 2017
- £4,400 on 11 December 2018

Mr and Mrs G understood these payments had been credited to their ISAs thanks to an update they received from their advisor at Campbell. They say the update appears to show the balance of their Platform A ISAs, including the various payments they’d made towards it. But they had cause to doubt this in February 2023 when they became aware their advisor was being investigated by the FCA.

After checking with Platform A, they came to understand that the money they’d paid to Campbell hadn’t been invested as they’d been led to understand. It wasn’t clear where the money was. When they challenged their advisor, they were told the money was being held separately and would shortly be transferred to them. But no payments were ever received.

Mr and Mrs G complained to Campbell about this in March and April of 2023, but they never received a response. To continue their complaint, they referred the matter to our service.

Our investigator made efforts to contact Campbell and obtain its response to Mr and Mrs G’s complaint. One of our investigators spoke to a solicitor working on behalf of the advisor. The solicitor confirmed Campbell and its advisor were aware of the complaints made against it. In the absence of any formal response from Campbell, our investigator upheld Mr and Mrs G’s complaint. They felt the couple should be compensated for their financial losses, and for the distress and inconvenience they’d suffered due to Campbell’s actions.

To date, our service has received no explanation for, or defence of the issues Mr and Mrs G have raised in their complaint against Campbell. Because of this, the matter has been passed to me to make a 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.

At the outset, I'd observe that given the subject matter and implications of Mr and Mrs G's complaint, it's quite extraordinary that Campbell has failed to respond to it in any meaningful way. I'm satisfied however that it's appropriate for me to proceed with my decision on this complaint.

Our rules, outlined in DISP 3.5.9 R explain that I may "*reach a decision on the basis of what has been supplied and take account of the failure by a party to provide information requested*". And that is what I intend to do in Mr and Mrs G's case.

As a regulated firm, when dealing with its customers, Campbell is required at all times to uphold a series of high-level principles set by the FCA. Amongst other things, the principles outlined in PRIN 2.1.1 R require that:

*"A firm must conduct its business with integrity... A firm must conduct its business with due skill, care and diligence... A firm must observe proper standards of market conduct... A firm must pay due regard to the interests of its customers and treat them fairly... A firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading..."*.

Where investments are concerned, these principles are further bolstered by the rule in COBS 2.1.1 R, which requires that:

*"A firm must act honestly, fairly and professionally in accordance with the best interests of its client"*.

Mr and Mrs G have evidenced that they made payments totalling £51,400 to Campbell. And their recollection was that these payments were intended to be credited to their ISAs and invested into Platform A's ISA 6 Active Managed Portfolio. I've seen documents which confirm the couple each held this investment, and that Campbell was appointed on both ISAs as being the advising agent.

The couple have also provided our service with the investment update they were given by their advisor at Campbell which gives a balance of each of their ISAs. As per the information provided by Platform A for our investigation, this balance appears to be incorrect. Platform A has provided a list of all of the contributions ever made to Mr and Mrs G's ISAs. And it does not seem as though the payments Mr and Mrs G made to Campbell were ever credited to their ISAs.

It remains unclear what Campbell did with the money Mr and Mrs G paid to it. But there's no evidence I've seen that would suggest it was ever invested on the couple's behalf, as per their expectations.

I have seen no evidence that would give me pause to doubt Mr and Mrs G's submissions on these points.

In my opinion, if Campbell and its advisor had accepted the couple's money in the course of legitimate business, it would be relatively straightforward for it to refute their complaint. As a firm that's authorised to give advice and arrange investments for its customers, I would reasonably expect Campbell to provide evidence of:

- Arrangements and recommendations for any investments it's sold.
- Paperwork substantiating the appropriateness or suitability of those investments.
- Diary notes or phone calls recording occasions those investments were discussed.

The fact Campbell has failed to provide any such evidence is extremely concerning. As is the fact that according to the FCA register, Campbell doesn't appear to have ever been authorised to hold client money. Mindful of this, and in the absence of any counter-narrative defending itself, I'm persuaded that Campbell has failed to invest Mr and Mrs G's money as it should have. And by doing so, it's failed to uphold the principles and requirements I referenced earlier in my decision. I'm satisfied that Campbell has failed to treat Mr and Mrs G fairly.

It remains for me to fairly and reasonably decide what Campbell must do to address the impact its actions have had on the couple.

### **Putting things right**

As I've understood it, it was Mr and Mrs G's expectation that the £51,400 they'd paid to Campbell was to be invested via their ISAs into Platform A's "ISA 6 Active Managed Portfolio". But this did not happen. Campbell has declined to say what it did with the money it accepted from them. And by not investing the money as it should have, Campbell has caused Mr and Mrs G to miss out on the growth Platform A's ISA 6 Active Managed Portfolio has made over the years. This loss flows from Campbell's failure to treat the couple fairly, and so I'm satisfied it should compensate them accordingly.

Firstly, I direct that Campbell must pay Mr and Mrs G the sum of £51,400.

Next, I direct that Campbell must calculate the growth Mr and Mrs G's various deposits would have made, had they all been promptly invested in Platform A's ISA 6 Active Managed Portfolio. For the purposes of this calculation, I think it's fair and reasonable to expect that Campbell ought to have invested these deposits the same day they were received. So on 15 December 2014, 18 August 2015, 22 February 2016, 6 October 2016, 1 February 2017, 2 November 2017, and 11 December 2018 respectively. Campbell should calculate growth on these investments up until the date it settles this complaint. Completing this calculation will leave Campbell with a monetary figure I'll refer to as "Figure X". Campbell must provide a breakdown of its calculations for Mr and Mrs G in a clear and simple format.

Once it has completed this calculation, I direct that Campbell must pay Figure X to Mr and Mrs G.

Finally, I've considered what Campbell must fairly and reasonably do to compensate Mr and Mrs G for the significant trouble and upset the events of their complaint have caused them. From the historic correspondence available to me, the couple appear to have enjoyed a relatively informal relationship with Campbell's advisor. I have no doubt that the realisation they'd been deceived by the advisor as to the whereabouts of their money, combined with the anxiety of not knowing what had happened to those funds will have had a significant impact on them.

Through their submissions, Mr and Mrs G have painted a picture of the distress and inconvenience these events have caused them. And it's clear they've spent a great deal of time compiling information for this service and the FCA's investigation into Campbell's actions here. All the while, they've not known whether their money, a not insignificant sum, would ever be returned to them. And I have no doubt that this will have caused the couple significant distress and inconvenience.

Because of this, I direct that Campbell must pay Mr and Mrs G the sum of £750 in recognition of the impact its actions have had on them.

### **My final decision**

My final decision is that for the reasons given above I uphold Mr and Mrs G's complaint. I direct that Campbell & Associates Independent Financial Advice Ltd must now:

- Pay £51,400 to Mr and Mrs G
- Calculate Figure X (as directed above)
- Give Mr and Mrs G a breakdown of its calculations in a clear and simple format
- Pay Figure X to Mr and Mrs G
- Pay Mr and Mrs G £750

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr G to accept or reject my decision before 19 December 2023.

Marcus Moore  
**Ombudsman**