

The complaint

Mrs S complains about the performance of an investment she made using Halifax Share Dealing Limited ('Halifax'). She says that the performance of the investment has been poor, and she has struggled to get responses to her questions from Halifax.

What happened

Mr S has complained on behalf of Mrs S. But for ease of reading, I'll write the complaint on the basis that all of the correspondence is from Mrs S herself.

In October 2021, Mrs S invested £2,000 in Scottish Widows' Managed Growth Fund. She did this using a Halifax share dealing account. She also invested £100 a month into this fund over the next ten months making the total investment £3,000.

Mrs S has also made a complaint about the fund manager, Scottish Widows. This has been considered separately by the Financial Ombudsman Service.

Mrs S says the investment was sold as medium risk but had a track record of providing returns of about 6% a year which is what she expected. But due to external events, such as the war in Ukraine and the government's monetary policy, the investment has at best stood still, but had lost a modest amount when she surrendered it recently.

Mrs S also says that she has had problems getting a response from Halifax about these concerns. She called Halifax on 20 September 2023 about the poor performance of her investments, and again on 3 October 2023. I can see that a final response letter was issued on 5 October 2023.

Halifax considered the issues that Mrs S' has raised in this final response but it has not upheld her complaints. It said that it is an execution only broker and it only acted on Mrs S' instruction to invest. It didn't provide investment advice. So, the responsibility of deciding if the investment was right for Mrs S would be hers. It said Mrs S confirmed that she was aware of the risks of the fund before she invested in it.

Halifax also said that all investments of this type can fluctuate in value, the fund does have some risk and the performance of it was not guaranteed. But this is not an issue they would have any control over as they don't manage the fund.

Halifax recognised that it could have responded to Mrs S' complaint in a timelier manner and it offered £30 compensation for this.

Mrs S didn't agree. She says that she has been fobbed off and Halifax hasn't done anything to rectify the fact that she has lost money in her investment. It's not performed an investigation as to why the investment performance is so low. If she had left her money in a current account, then it would have performed better. She is unhappy that she is paying a fee when she is losing money. Mrs S didn't also accept the offer Halifax made and brought her complaint to the Financial Ombudsman Service.

One of our Investigators has considered this complaint and has not upheld it. She said that:

- Halifax was an execution only broker here and it only acted on Mrs S' instruction to invest in the fund. So, it wasn't responsible for the fund performance or how it was managed.
- The information that Halifax provided Mrs S informed her that the funds had a risk of loss. She didn't think that Halifax had misled Mrs S.

Mrs S responded and did not agree. She said she made a reasonable request that Halifax to check with the fund manager when the fund was performing poorly. It didn't do this. She outlined that she has been passed around by both Halifax and Scottish Widows. She says neither seems to want to take responsibility for the fund performance.

Our Investigator wasn't persuaded to change their opinion about this complaint, and it has been passed to me to make a final decision about it.

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.

Mrs S has essentially complained about two business, Halifax and Scottish Widows. Both of these businesses are owned by the Lloyds Banking Group but they are separate and each has their own responsibilities.

Scottish Widows manages the fund and is responsible for how it is run. Mrs S has a separate complaint about Scottish Widows. I'm not looking at that complaint here. Mrs S' complaint, for the most part, has come about because she is unhappy with the performance of the fund that she invested in. These concerns have been considered in her Scottish Widows complaint.

Halifax doesn't manage the fund and so it isn't responsible for the performance of it. Halifax acted as a broker for Mrs S. That is, it has bought and sold the investment on Mrs S' behalf and it provided some information to Mrs S before she invested. This means it isn't responsible for whether the investment Mrs S made was right for her. Mrs S would have made this decision herself after considering the information that was provided to her.

I don't think it's reasonable to say that Halifax introduced Mrs S to Scottish Widows as its 'choice of supplier'. I've seen no persuasive evidence that Halifax advised, or even suggested, that Mrs S should make this particular investment.

So, what I can consider about Halifax is whether it properly acted on the instructions that Mrs S gave. And if the information it provided was clear fair and not misleading. I'll also consider how it handled the queries Mrs S made to it in late 2023.

Mrs S instructed Halifax to purchase and sell an investment in the fund she has complained about. Halifax did this and I've not seen any evidence of delay or poor administration when it did this. Mrs S has not complained that this is the case.

Halifax provided the Scottish Widows fund information and the key features of its trading platform. The fund information contained full details about the fund including some of the risks of it. And likewise, the platform key information document also explains in detail how the platform works and the key risks of it. Both of these documents explain that the investments can be risk bearing and that Mrs S may lose money if she invested. I don't think that she was misled by Halifax or provided incorrect information by it.

Mrs S has said that the contact with Halifax could have been better. But as far as I can see it responded to her complaint within reasonable timeframes, given that it has up to eight weeks to do this. And it has provided correct information to her about this.

Much of Mrs S' dissatisfaction relates to the requests she has made to Halifax to, for example, provide answers or information about how or why the fund hasn't performed as well as she expected it to.

But Halifax isn't responsible for the performance of the fund, and it won't have this kind of information. And it isn't appropriate for Halifax to contact the fund manager in relation to this kind of issue. I don't think Halifax could have provided the information that Mrs S thinks that it should have been able to.

Given all of the above, I don't think Mrs S' complaint should be upheld. I don't think Halifax has acted unreasonably here.

Halifax has already made an offer to pay £30 to settle the complaint. Mrs S should contact Halifax directly if she now wishes to accept this.

My final decision

For the reasons set out above, I don't uphold Mrs S' complaint.

I don't think Halifax Share Dealing Limited needs to do anything to settle the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 12 April 2024.

Andy Burlinson
Ombudsman