

The complaint

Mrs H complains about problems caused by Vanguard Asset Management, Ltd when transferring a Junior Individual Savings Account (JISA) for her son.

What happened

The details of this complaint are well known to both parties, so I won't repeat them all again here. Instead I'll focus on giving the reasons for my 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.

All parties agree the transfer should've happened sooner and there were some delays.

I think it's also important to say that Vanguard have already agreed to contact the other party involved in the transfer and arrange for the account to be put back in the position it would be in if not for the delay.

One outstanding issue is any amount of compensation for the distress and inconvenience caused by what happened. Mrs H isn't the account holder of the JISA, instead she is the named correspondent. Being a third party to the account means I don't have power to make an award for any trouble caused.

That's not to say that Mrs H wasn't inconvenienced, she clearly was, but the rules don't allow me to make an award to her, only to the account holder. And I haven't seen any persuasive evidence the account holder was put to any distress and in convenience as it was Mrs H who was dealing with the issues.

This complaint has three parts which I will deal with in turn. A different complaint dealt with matters that happened prior to September 2002 so I won't be commenting on those issues.

When dealing with the other party involved in the transfer it wasn't initially always made clear if there was any residual cash to be transferred. However in January 2023 it was made clear that there was residual cash to be transferred. Vanguard didn't action this part of the transfer as soon as they should've done. To put things right they should contact the other party to establish if the delay caused any financial loss.

There was a second issue around outstanding dividend payments. Our Investigator gave a detailed explanation of what happened with this issue so I won't repeat all the events again here.

Having looked at what happened I don't think Vanguard had a reason to know about any outstanding dividends until they were told about them by Mrs H. Once they were told I'm satisfied they acted quickly in fixing the matter. So I don't think Vanguard need to do anything about this part of the complaint.

Lastly there was an issue with some stock dealings which needs putting right.

Vanguard were contacted on 7 September 2022 by the other party asking for instructions about the stock, but this wasn't dealt with until some months later.

Had Vanguard replied when I think they should've done, based on a timescale for another similar transaction, then the sale would most likely have taken place on 12 September 2022.

So Vanguard should compare the sale of the stock on 12 September 2002 with when it was actually sold. If the sale achieved a lower value then the account should be reconstructed as if the sale took place when it should have done with appropriate interest added for that time.

Having carefully considered everything that happened I'm satisfied the above is a fair and reasonable way of putting things right.

Putting things right

Vanguard should contact the other party involved in the transfer to see if there was any financial loss caused by their delays.

If there was a loss they should put the account back in the position it would be in if not for those delays as outlined above.

Vanguard should provide Mrs H with calculations of any loss or an explanation of why there was no financial loss if that's the case.

My final decision

For the reasons I've explained my decision is that I uphold this complaint.

To put things right Vanguard Asset Management, Ltd should take the actions I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 15 January 2024.

Warren Wilson

Ombudsman