

## **The complaint**

Ms G has complained about RBS Collective Investment Funds Limited (RBS). She said she tried to close her ISA account with RBS but there was a long delay before she was able to. She said RBS has caused her to suffer financial loss as well as distress and inconvenience.

## **What happened**

Ms G held investments in a stocks and shares ISA with RBS. She said she tried to close her account in August 2022 but had to go deal with several issues caused by RBS that delayed everything.

Ms G said she visited her bank branch in August 2022, but it said it couldn't help. She said she got sent to another branch and couldn't get her request to close her account actioned there either.

Ms G said she then called a number for RBS that was provided on a statement for her ISA and requested that her account be closed. She said it agreed to release the funds, then called back shortly after and said Ms G had failed a security check so it couldn't release them.

Ms G said she went back into her bank branch to make a complaint. She said she experienced further difficulties. She had to chase this with RBS several times. Ms G said she got conflicting advice from RBS about what was happening with her funds. She then submitted another complaint in January 2023 but again didn't hear from RBS. She said she had to continue to chase them.

RBS said in response that Ms G initially made a complaint to the banking side of the business and that its investment arm is a totally separate entity.

RBS said when Ms G called it directly on 1 November 2022, it was unable to proceed with her request to sell her investment and close the account, as it was unable to verify her identification. It said it was able to do this electronically at a later date. It said it was sorry for the inconvenience of not being able to carry out her instruction or contact her and for the poor service she received, it paid £50 compensation and sent this in the post as a cheque.

It then wrote to Ms G again and said it would be prepared to pay for any investment losses and increased its offer of compensation to £100 for distress and inconvenience that it said it caused. It then said Ms G had benefited from the delay it caused in selling her investments, as they had gone up in value, so it didn't feel it needed to pay anything further.

I issued a provisional decision on this complaint on 23 January 2023. Both parties have received a copy of that provisional decision, but for completeness I include an extract from the decision below. I said;

"I am currently upholding Ms G's complaint. I will explain why.

Ms G wanted to sell her investments held with RBS and close her account. She has told our service that it was her intention to use the funds to reduce her mortgage and by so doing reduce the amount she was repaying. She said she had already moved the proceeds from another investment over to reduce her mortgage and she was looking to do the same with her stocks and shares ISA held with RBS too.

Ms G initially went into a bank branch in August 2022 to try and arrange this. I can see that she had some trouble with this and acknowledge this would have added overall to the amount of time, effort, and stress that she would have experienced. I do appreciate Ms G tried to sell her investments and close her account from August 2022, but I am also aware these initial attempts were with a third party and not RBS.

I have looked through documents provided by RBS and can see that Ms G called it to close her account on 1 November 2022. So, this would have been the first time that RBS had received an instruction from Ms G directly that she wanted to sell her investments and close her account. RBS said it asked for ID and proof of address. This is because, it said, there was a marker on Ms G's account, where it had previously been unable to verify Ms G's details. So, RBS asked Ms G to verify her details and Ms G said she wasn't going to do this.

RBS said it made a mistake at this point and cancelled Ms G's instruction. It said it shouldn't have done this and should have kept it open so that her instruction could be resolved. This could have happened by either RBS contacting Ms G again to ask for verification or by RBS verifying Ms G's account through other means. RBS said it caused a delay by cancelling Ms G's instruction at this point. So, as it has said it is responsible for this, I don't need to make any findings here. Both parties agree, RBS caused a delay from 1 November 2022 to 15 May 2023, when the investments Ms G held were settled. What I need to consider, and what is in dispute between the parties, is whether the offer made by RBS to compensate Ms G is fair or not.

### **Investment and any other financial losses**

RBS said it would pay for any investment losses. It said it would compare the share prices from 1 November 2022 with what Ms G actually received, and if she received less, it would pay the difference. Ms G received around £6076 when RBS eventually sold her investments and RBS calculated that Ms G would have received around £5650 if it had sold her investments on 1 November 2022, the date Ms G instructed it to sell them. So, Ms G was in a better position, but for RBS's errors here. She received around £426 more than she would have had if RBS had sold her investments when she first contacted them about this.

So, because Ms G ended up in a better position than she would have been, I don't think she has incurred any investment losses and RBS doesn't need to do anything further here.

Ms G said she would have used the money to repay her mortgage and reduce her repayments. She said she has incurred financial losses here, as she has had to pay more interest than she would have done if she had received the money earlier. I have read an email from her, sent in November 2022 where she says to RBS that she needs to sell her investments for this reason. So, after reading this email, I am persuaded that Ms G would have done what she said to our service she was going to do, had she received her money from RBS sooner.

But again, Ms G ended up in a better position than she would have been in but for RBS's mistakes. I think any additional interest she would have had to pay on her mortgage payments, would have been a smaller amount incurred than what she has gained, by having the investments over a longer period of time.

In conclusion, I don't think Ms G has incurred any investment or other financial losses, when RBS made the errors, it said it made, following her instruction to sell her investments on 1 November 2022.

### **Distress and inconvenience**

I can see that Ms G has had a stressful time in trying to sell her investments and close her account. Her initial instruction to RBS was on 1 November 2022, and it took over seven months for her to have her instruction dealt with. She didn't receive a cheque with the proceeds until 23 May 2023. Ms G has detailed the number of times she had to contact RBS and chase them up about her complaint. She has at times also been told either conflicting advice or been given incorrect information.

RBS has offered £100 compensation for the distress and inconvenience it says it has caused her, but I don't think this is a fair reflection of what Ms G has had to endure. When I consider how long the delay was for, the amount of times Ms G said she has either complained or chased RBS for a reply, and also the errors made by RBS, I consider £300 to be a fairer payment for it to make, in the circumstances of this complaint. This amount is similar to what I have awarded in complaints I have seen that are like Ms G's.

I am therefore currently upholding Ms G's complaint."

I asked both parties to let me have any comments, or additional evidence, in response to my provisional decision.

RBS responded on 25 January 2024. It said after further consideration, it didn't have anything to add, nor does it challenge my provisional decision.

Miss P responded on 29 January 2024 and made the following points:

- She asked that I note to date all documentation related to the funds mentioned the third party, nowhere she said was she advised money was being managed somewhere else.
- All statements she received mention the third party. This is another example of inadequate and misleading communication.
- She said, regarding the closing amount she received, it is a convenient interpretation of the bank that she is better off with the amount they paid.
- She said according to the statement she received from it in April, her investment was worth more than she received when it was sold and paid to her.

### **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 would like to thank both parties for responding in quick time and providing their comments to my provisional decision.

Ms G said the third party has been mentioned in all documentation that she has received up to this point regarding her investment and was also mentioned when she received her

statements. I acknowledge what Ms G is saying and I can also understand why she would go into her branch to try and resolve selling her investment when she did, after she has said this. That said, it still doesn't detract from the fact RBS are the business that are subject to Ms G's complaint and the party that was responsible for her investment. Because of this, it is RBS and its actions that I looked into, and not that of the third party.

Ms G has said it is a convenient interpretation of the bank that she is better off, regarding the amount she was paid for her investment, than what she would have received but for the delay.

My approach to putting things right for Ms G, is to work out how she could be put back in a position she would have been in but for the mistakes RBS has made. I can again see that Ms G would have received less if RBS had sold her investment and paid the proceeds to her within a reasonable time, as I have described in my provisional decision. Ms G was in fact better off, as her investment went up in value, due to the delay that RBS has taken responsibility for. So, after looking at this again and considering the comments made by Ms G, I still don't think she made any investment losses here.

As I said in my provisional decision, Ms G has had a difficult time in trying to resolve her complaint. And I have awarded a payment of £300 to better reflect what she has had to endure. RBS has agreed to pay this in order to resolve Ms G's complaint.

So, it follows that I don't think RBS are responsible for any investment losses here, Ms G was better off but for its mistakes. But I do uphold Ms G's complaint about the errors caused by RBS and the distress and inconvenience this caused her. RBS now needs to put things right.

### **Putting things right**

To put things right RBS needs to pay Ms G £300 for the distress and inconvenience it has caused, in all the circumstances of her complaint.

Ms G has told our service that she has not cashed the original cheque given to her by RBS for £100 and that she no longer can pay this in. She has also recently provided a scan of these cheques that she still holds in her possession uncashed. So, RBS will need to cancel the original cheques if it needs to, and instead send Ms G a cheque for £300.

### **My final decision**

My final decision is that I uphold Ms G's complaint and I direct RBS Collective Investment Funds Limited to put things right as I have described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 27 February 2024.

Mark Richardson  
**Ombudsman**