

The complaint

Ms A complains about abrdn Investments Limited ('abrdn'). Ms A complains that she shouldn't be charged to transfer her shares into her own name as abrdn is closing the account. She thinks it should do this free of charge.

What happened

Ms A had an abrdn Investment Trust Savings Plan ('ITSP'). This was a low cost way to hold certain investments (Investment Trusts) as there were no monthly or annual charges. As I understand it, the plan would only charge Ms A if she sold the investments.

In June 2023 abrdn told Ms A that they would be closing the ITSP and she wouldn't be able to remain invested in it. She would need to transfer her investments elsewhere or sell them. She was given three options to do this. Transfer her holdings to a business I'll call Firm I, and this would be free of charge. The letter said after an initial period of six months there would be ongoing charges if she transferred to Firm I. Or she could transfer her investments to another platform (and they would remain the same, also known as an in-specie transfer) or sell her investments.

Initially abrdn said there would be costs associated with transferring her shares to an alternative platform or selling them. These would be in line with the terms and conditions of the ITSP. But I understand it then waived any fees or costs it would have charged Ms A if she chose to move to a different platform other than Firm I.

After receiving these communications Ms A said that she wanted the shares certified and transferred to her personally. She said that she did not want to move to Firm I, or to move to another platform, or to sell her shares. She said that other businesses had transferred similar investments to her free of charge. She said not doing this may contravene consumer contracts legislation and it was not treating her fairly. And she complained on this basis.

abrdn responded to Ms A's complaint and said that she was not required to transfer to Firm I, there were other options for her. It said that share certification was a manual process that incurs costs that it could not waive. It did not uphold her complaint as it didn't think it was acting incorrectly or unfairly.

Ms A said certifying the shares and transferring them to her was an option in the original ITSP's terms and conditions, albeit subject to a charge. And this is the option that best met her needs. She thought that abrdn should waive this charge as it is terminating the ITSP contract.

There was some further correspondence and Ms A continued to request that the shares were certified, and ownership transferred to her. abrdn has reiterated that it is not closing Ms A's investment, rather it is proposing to transfer it to another provider to allow it to continue – albeit with higher charges. And she does have the same choices to sell her investments, or transfer them to herself, incurring the same costs she would have incurred under the ITSP.

abrdn has outlined the charges that apply if Ms A wanted to sell her investments or have them certified, and ownership passed to her. The fee for certification was £36 per share. It noted that these charges are outlined in the original terms and conditions of the ITSP. Ms A has three investment trust shareholdings and so the total was £108. I understand that she has paid this, and the investments have been transferred to her.

Ms A doesn't agree she should have paid this. She said she has not instigated the change in the savings plan. So abrdn shouldn't rely on the charges that are in the terms and conditions of the ITSP as it is cancelling this.

One of our Investigators considered Ms A's complaint but did not uphold it. He said that Ms A had been charged for the share certification as was outlined in the ITSP documentation. And this was fair, given all the circumstances.

Ms A didn't agree with what our Investigator said. She said that she would like her complaint to be reconsidered based on:

- The fact abrdn were withdrawing the scheme and unilaterally terminating her contract
- Whether it was unfair not to waive charges either under consumer legislation or general fairness or good practice.

As no agreement has been reached the complaint has been passed to me to issue my 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.

It's not part of Ms A's complaint but I would firstly confirm that the terms and conditions of the ITSP do say that it can be altered at abrdn's discretion (with one month's notice). And so it isn't acting outside of the initial agreement when it has decided to no longer offer the ITSP.

And perhaps more broadly abrdn has made a commercial decision to not offer the ITSP. It is reasonable that it can change the products and services it offers from time to time when markets and other commercial situations change. I don't think it was acting unfairly or incorrectly when it decided to withdraw the ITSP.

abrdn does have an overarching regulatory responsibility to treat its customers fairly and I've considered if it has done this here.

Ms A has needed to make some changes to her investment portfolio that she didn't want to do, and she has incurred some costs doing this. But Ms A was offered a transfer to another product that Firm I offered, or she could have transferred her investments in-specie to another provider without upfront costs. I appreciate that there may be ongoing charges with some of these products but, essentially, Ms A could have chosen what was available from the entire market without upfront costs being charged by abrdn. I think this is a reasonable way to manage the closure of the ITSP.

Of course, these new platforms are not what Ms A wants. But this seems to be largely because this type of product is no longer widely available, if at all. So that Ms A can no longer benefit from the low-cost platform she had doesn't seem to be solely down to the actions of abrdn. It seems to be that this kind of product is not available in general.

abrdn has charged Ms A for certifying her shares and transferring them to her personal ownership. It has charged the same as it would have done if Ms A had chosen this herself under the ITSP terms and conditions. The crux of Ms A's complaint is that she thinks this is unfair as it is cancelling the plan.

But I've said that I don't think it was unreasonable or unfair for abrdn to cancel the ITSP. And it has explained that there are further costs to this option. abrdn offered Ms A reasonable options to transfer her holdings elsewhere that wouldn't have incurred an upfront fee or charge.

I think it's likely the costs to certify the shares detailed in ITSP terms and conditions were a reasonable reflection of the costs of performing this change of ownership. So, overall, I don't think that it is unfair that it charged her to take this option.

I appreciate that Ms A may have been able to receive certified shares in the past when other providers withdrew their similar arrangements. But I'm considering what abrdn has done now. I can't really comment on what happened with other investments and platforms at earlier times. The circumstances that surround these situations, and probably the market as a whole, would have been different then.

And whilst I must have regard to the law, we are an alternative to the courts, and I consider complaints on a 'fair and reasonable' basis. So, I won't directly comment on the consumer law examples that Ms A has provided. But I don't think that abrdn have acted unfairly or outside of the law here. It said that Ms A could transfer to another provider without an upfront cost. That fact that these other providers may not have had products with terms as advantageous (to Ms A) as the abrdn one is not anything it would have control over. And it would be unfair to say that it should change the terms of the product withdrawal when this is the case.

Having considered everything, I don't think Ms A's complaint should be upheld.

My final decision

For the reasons set out above, I don't uphold Ms A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 29 March 2024.

Andy Burlinson
Ombudsman