

The complaint

Mrs L complains that Yodelar Investments Limited failed to effectively manage the transfer of some investments to a new provider following it providing her with advice to proceed with that change.

What happened

The transfer that has caused this complaint followed some advice provided by Yodelar to Mrs L and her husband (“Mr L”). I am dealing with a separate complaint from Mr L about other problems that arose during his transfer. So in this decision I will only deal with those matters concerning Mrs L’s transfer.

Yodelar provided Mrs L with advice, and administrative support, for a transfer of her ISA funds from a firm I will call H, to a firm I will call A. Yodelar, H, and A are all regulated firms. But this complaint is solely relating to the actions of Yodelar. So whilst I will note the actions taken by H and A in addressing some of the problems Mrs L experienced, my findings will only be in relation to any failures by Yodelar.

The ISA that Mrs L held with H contained a mixture of assets. One of the assets held were shares in Mr L’s employer that had recently fallen in value. Mr L was optimistic about their future prospects so Mrs L wished to retain them and it was agreed those shares wouldn’t form part of the assets being transferred. So Yodelar advised Mrs L to transfer part of her ISA holdings from H to A. The suitability of the transfer isn’t something that forms part of Mrs L’s complaint. Her complaint relates to the implementation by Yodelar of its recommendations.

Mrs L’s transfer didn’t proceed entirely correctly. The shares she held in Mr L’s employer were incorrectly sold before the transfer took place. On behalf of Mrs L, Mr L bought those shares back. But the shares were then sold once again. And the overall transfer was delayed by around three weeks. A accepted that the instruction it had received from Yodelar was clear, and the errors were its fault. A noted that the three-week delay actually resulted in a gain to Mrs L. But it has paid her compensation totalling £766.59 for the incorrect sale, on the two occasions, of her shares in Mr L’s employer. But Mrs L complained about Yodelar’s actions - she said that she didn’t think it reasonable that Yodelar should receive its fee given its failure to effectively manage the transfer.

Mrs L’s complaint has been assessed by one of our investigators. He thought that it was reasonable that Yodelar retained the fee Mrs L had paid since the transfer had now been completed. And he thought that the problems during the transfer were not as a result of something that Yodelar had done wrong. So he didn’t think the complaint should be upheld.

Mrs L disagreed with that assessment. So, as the complaint hasn’t been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process.

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.

In deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mrs L and by Yodelar. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

Yodelar advised Mrs L to transfer part of her ISA investments from H to A. Mrs L isn't complaining about the advice she was given to transfer those investments. So in this decision I will consider Yodelar's actions in the administration of that transfer.

Mrs L agreed to pay a fee of £750 to Yodelar for its advice. But that fee was waived as she decided to proceed with its recommendations. Mrs L agreed to pay a fee of 2% of the transferred amount for Yodelar's support in arranging and implementing the recommendations it had made. The terms of business describe that as part of that service Yodelar would;

- Handle all fund and policy administration on your behalf
- Provide regular updates to keep you informed of progress
- Ensure all your documents are issued in line with your expectations
- Provide confirmation of all actions taken on your behalf in writing

It is clear that Mrs L's transfer didn't proceed entirely smoothly. The transfer itself was delayed by around three weeks. And the shares that Mrs L held in Mr L's employer, that it was agreed would be excluded from the transfer, were sold to cash on two separate occasions.

As I said earlier, there were three regulated firms involved in Mrs L's transfer. But this decision only deals with the actions of Yodelar. And I am satisfied, on the basis of the evidence I have seen, that Yodelar wasn't responsible for the errors that I have described above. It had simply given an instruction to A, and it was A that faced some internal processing problems that caused the problems to occur.

I accept that Mr L, on behalf of his wife, was proactive in identifying the incorrect sale of the shares, and in the first instance arranging for them to be bought back. I have no way of knowing whether, or when, Yodelar would have identified the problem. But I am satisfied that the losses arising from the sales of the shares have now been credited by A to Mrs L's account. And it appears that Mrs L benefitted from the delay to the transfer.

I have seen an email that was sent by A to Yodelar around the time that the problems were identified. That email said "I don't think the instruction could have been any clearer....". So it doesn't seem to me that Yodelar could have taken any steps to prevent these problems from occurring.

I have considered that Yodelar recommended that Mrs L place the transferred monies with A. But A is a large and well-respected financial institution so it doesn't seem there would

have been any expectation that problems of this nature might arise. In transfers such as these there is always the possibility of isolated errors occurring – and I am sure that these errors were extremely disappointing for Mrs L. But I think isolated errors of this nature could potentially arise at any provider – including H where Mrs L's ISA was originally held. I don't think these administrative problems cause me to think there was anything fundamentally wrong with the recommendation that Yodelar gave to Mrs L to move her ISA to A.

Ultimately I think that the service Yodelar offered to Mrs L was intended to effect the transfer of some of her ISA savings from H to A. Despite the problems that were encountered, through no fault of Yodelar, that transfer was successfully completed. And A has paid compensation to Mrs L for the losses she experienced due to the sale of the shares, whilst correctly allowing her to retain the gain she made due to the delayed transfer. So I don't think that Yodelar was wrong to retain the fee that Mrs L paid for its services.

I appreciate that this decision will be disappointing for Mrs L. As a result of the problems it seems she thinks it would be inappropriate for her to continue her relationship with Yodelar, and potentially A. But I don't think any errors that occurred were as a result of something that Yodelar did wrong, or could have foreseen. I don't think it appropriate to direct Yodelar to refund the fee that it has received for its work on the transfer.

My final decision

For the reasons given above, I don't uphold the complaint or make any award against Yodelar Investments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 16 April 2024.

Paul Reilly
Ombudsman