

## **The complaint**

Mrs D has complained about Janus Henderson Fund Management UK Limited (Janus). She said Janus caused a delay in repaying funds to her, after a cheque it sent was cashed in by an unauthorised recipient.

Mrs D said the delay it caused and how it handled her complaint has caused her distress and inconvenience. She thinks Janus should pay compensation.

## **What happened**

Mrs D held an investment with Janus. On 30 March 2023 she sold the investment and said she was advised by Janus that payment would be made by cheque to her.

Mrs D said she did not receive a cheque for the proceeds and chased this up with Janus. It said it would stop the cheque and send proceeds to her electronically. But then it saw that the cheque had been cashed in on 19 April 2023.

Mrs D said she called Janus to say it was not her that cashed the cheque in. Janus then investigated what had happened and after a fairly lengthy investigation taking around 4 months, on 29 August 2023, Mrs D received the funds. They were paid into her account. Janus said it retrieved the funds and then transferred them to her.

Mrs D complained to Janus as she was not happy with the way it dealt with things. She said she would like interest paid by Janus from the time she should have received the funds to the date she did receive them. She said it had caused distress and inconvenience due to the delay that she said it had caused along with how it had handled her complaint.

Janus said in response that it was able to retrieve the funds and then released them to Mrs D on 29 August 2023. It said it was sorry there was a delay in Mrs D receiving her withdrawal proceeds due to the cheque being cashed in by an unauthorised recipient. It said though, that once the cheque left its offices, it couldn't be held responsible for its delivery. It said it followed its processes, and so it could not agree to her request for compensation.

Mrs D was not happy with Janus's response and referred her complaint to our service.

I issued a provisional decision on this complaint on 12 February 2024. 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 provisionally upholding Mrs D's complaint, and I will explain why.

First of all, it is clear to me that Janus were not responsible for the cheque being intercepted and cashed in by an unauthorised recipient. It has told our service it sent the cheque out to Mrs D's address in the normal way, and it can't be held responsible for it being intercepted in the way it was. I agree with this.

What I have looked into though, is how Janus responded to Mrs D's request for help when she alerted it to what had happened and how it dealt with repaying the funds back to her.

### **Did Janus cause a delay with the way it handled Mrs D's request for help?**

As I have already concluded, I don't think Janus can be held responsible for Mrs D's cheque being intercepted. The cheque was intercepted by an unauthorised recipient, and this is not, from what I can see, something that Janus could have reasonably foreseen or mitigated against. So, from the point where Mrs D contacted Janus to notify it that she wasn't the person who cashed in the cheque, there would have been some delay, to Mrs D receiving back her funds. Janus would have needed some time to investigate and deal with the issues that Mrs D had informed them about. What I need to consider is whether its actions from that point onwards were reasonable or whether it contributed to the delay at any point up to when Mrs D received her funds.

Mrs D first alerted Janus that there was a problem on 28 April 2023. This was the first time that it was aware of what was going on: that it is seeing on its system a cheque has been cashed in, but Mrs D had not received anything. I have looked at what happened during this early part of Mrs D's complaint. From 28 April 2023 to 22 May 2023, I can't see that very little, if any progress was made on Mrs D's complaint. There was a lack of action taken by Janus over this extended period of about 3 weeks. I am minded to conclude that Janus were responsible for a delay here.

From 22 May 2023 to 7 June 2023, there was some enquiries carried out by Janus. It arranged for the funds to be traced and also completed a fact-finding exercise.

There was then a second period of time between 7 June 2023 and 5 July 2023 where again I can't see that Janus had taken steps to progress its investigation. I can see that it said it carried out an internal meeting to discuss next steps but otherwise I can't see that it progressed Mrs D's request a great deal. There was a delay here of around 4 weeks. I am minded to conclude Janus were responsible for a delay here too.

After 5 July 2023, I can see that Janus were carrying out enquiries and were looking to retrieve the funds. It did achieve this on 16 August 2023 and then after validating Mrs D's account did then transfer her funds to her on 29 August 2023. I can see from 5 July 2023 that Janus were actively pursuing a resolution.

So, I do currently think Janus are responsible for a delay in how it dealt with Mrs D's request to help her retrieve her funds. I currently think it could have avoided delays between 28 April 2023 and 22 May 2023 as well as 7 June 2023 to 5 July 2023. By not acting during these two periods, it added around 7 weeks in total to the time it took to resolve Mrs D's complaint. I currently think Janus needs to put things right here and pay interest to Mrs D for the periods I have identified that I think were unreasonable delays caused by it.

### **Did Janus cause Mrs D distress and inconvenience with how it dealt with her request for help?**

I have concluded that Janus is not responsible for Mrs D's cheque being intercepted. But I have also concluded that it was responsible for a delay of around 7 weeks when Mrs D tried to get this resolved.

Mrs D said she needed the proceeds from the cheque as she was in the process of moving home. I empathise with her regarding the stress this must have caused her. There would have been a great deal of uncertainty from her side about where her money had gone and whether she was going to get her funds back. I can imagine this would have been quite a

trying issue for Mrs D to have to deal with. So, I don't think Janus helped matters when it delayed acting on her concerns, initially for around 3 weeks and then during its investigation for a further 4 weeks.

I can also see from the timelines put together by both parties, that Mrs D did a lot of the chasing to try and get things resolved. She called Janus on many occasions trying to seek an update, reassurance, and a resolution. From what I have read, I don't think she could've got any reassurance that she was going to get her funds back for several weeks, and not really until she was notified by Janus on 16 August 2023 that it had retrieved the funds.

I am currently minded to conclude that Janus could have been clearer with Mrs D about what its investigation involved and how long it would take. I think it also could have updated her on a regular basis about how things were going and as I have already concluded, I think it could have been quicker in conducting its investigation too. So, with all of this in mind, I think Janus has caused Mrs D distress and inconvenience by carrying out a series of errors in the way it dealt with her request for help. I am minded to increase the payment suggested by the investigator and think £300 is a fair and reasonable payment for Janus to make, in the circumstances of this complaint."

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

Janus replied on 15 February 2024. It acknowledges the inconvenience Mrs D experienced, and it accepts £300 to be paid to her for this.

It said it does not accept though that it should pay 8% simple interest for the two periods in question. It said the money was intercepted and credited into an account in the name of Mrs D at a third party. It said it is the third party that accepted this credit into a likely fraudulent account. It said it took all options within its remit to have the proceeds returned from the third party.

Mrs D responded on 19 February 2024. She said she would just like to reiterate that she feels Janus has at times been unwilling to engage fully with the investigation in what appears to have been fraudulent action. It has been an unnecessarily drawn-out process which has been unfortunate and frustrating.

### **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.

Janus has agreed to pay Mrs D £300 for the distress and inconvenience it has caused in all the circumstances of her complaint. Mrs D has no further comments about this. So as the parties are no longer in dispute about this part of Mrs D's complaint, I don't feel I need to make any further comments about it.

What is left for me to consider again, is whether interest should be awarded. Janus said it doesn't accept that it should pay this. It mentions the third party and its role in the problems caused by the transfer. I have read its comments carefully and acknowledge what it is saying.

That said, this complaint is about Janus and its role within the transfer only. Mrs D was a customer of Janus, and she has complained about what it did and didn't do during the course of the transfer. This is what I have looked into.

I acknowledged within my provisional decision that Janus were not, on balance, responsible for the cheque going astray. I said, from the point where Mrs D contacted Janus to notify it that she wasn't the person who cashed in the cheque, there would have been some delay, to Mrs D receiving back her funds. Janus would have needed some time to investigate and deal with the issues that Mrs D had informed them about.

So, I made a finding that Janus needed additional time to resolve the issues presented to it by Mrs D. I awarded the interest payment because I felt Janus caused around 7 weeks of delays. When I looked into what had happened, I identified that between 28 April 2023 to 22 May 2023 and 7 June 2023 to 5 July 2023, there was a delay caused by Janus that could have been avoided. Little was achieved during these dates, and I am satisfied that Janus could have carried out its investigation without these additional 7 weeks.

Again, I acknowledge the comments made by Janus that the initial issue was caused most likely by fraudulent activity, but that doesn't mean that it had good reason to take as long as it did to investigate Mrs D's concerns.

I uphold Mrs D's complaint and Janus now need to put things right.

### **Putting things right**

To put things right in all the circumstances of Mrs D's complaint, Janus should look to do the following:

- Pay Mrs D interest at 8% simple per year on the proceeds that Mrs D was due to receive, during the days that I have found it caused a delay. I currently think the delays it caused were between 28 April 2023 to 22 May 2023 and 7 June 2023 to 5 July 2023.
- Pay Mrs D £300 for the distress and inconvenience caused for the reasons I have already given.

### **My final decision**

My final decision is that I uphold Mrs D's complaint about Janus Henderson Fund Management UK Limited. I direct Janus Henderson Fund Management UK Limited to put things right as I have described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 27 March 2024.

Mark Richardson  
**Ombudsman**