

The complaint

Miss F has complained about Financial Administration Services Limited (Fidelity). She said she was unable to transfer money from her investment account held with Fidelity to a bank account with a third party. She said Fidelity caused a lengthy delay and this has caused her distress and inconvenience. She said Fidelity should apologise and pay compensation.

Miss F has been represented by her father, Mr F throughout her complaint with our service. I have referred to both in my decision.

What happened

Miss F holds an investment account with Fidelity. In May 2022, she tried to withdraw some money from her account to one of her third-party bank accounts. Miss F said she received a letter from Fidelity to say it hadn't been able to verify the bank account that she wanted to send the money to.

Miss F said that it was at this point that she realised she had given the wrong bank account details. She said she sent a secure message through Fidelity's website to inform them of this, in July 2022. Miss F said she asked if it could remove the bank account details, she had provided. Miss F said she asked someone to call her back, but Fidelity didn't.

Miss F said in January 2023, she tried to make another payment from her investment account, but she again got a message saying her bank details needed to be verified. She said it was at this stage that she made a complaint to Fidelity. She said she again asked for the bank account details to be removed. She said she asked several times. Miss F said this continued through June 2023 and she attempted to withdraw money in July 2023 too. Miss F said it has been very time consuming and frustrating trying to ask Fidelity to remove bank account details.

Fidelity said to our service that it believed it acted correctly in 2022 with regards to Miss F's complaint. It said it had been unable to contact Miss F by phone, and so was unable to complete any mandate removal requests which had been requested.

Fidelity said Miss F contacted it in January 2023 and by secure message, on its advice, she asked for the mandate to be deleted. It said due to administration errors this was not processed correctly and that it sincerely apologises for this to Miss F.

Fidelity said it had now arranged for the mandated to be deleted (as of August 2023) and confirmed there were no holds on the investment account. It said due to delays experienced in 2023, it would like to make Miss F an offer of £100 to resolve her complaint.

Miss F was not happy with Fidelity's response or offer. Mr F on Miss F's behalf said Miss F wasn't going to accept Fidelity's offer of £100, for the delay's experiences in 2023 and the inconvenience caused. He said its offer didn't recognise the fact Miss F also experienced delays in 2022 and for the stress Fidelity caused when Miss F needed the money to purchase her first home but wasn't able to withdraw funds to do so.

Mr F said Fidelity should pay some financial compensation to Miss F, but also it needs to acknowledge all of its failings and provide an apology for them.

I issued a provisional decision on this complaint on 15 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 currently looking to uphold Miss F's complaint and I will explain why.

I have looked into what both parties have said to see whether Fidelity on balance, were responsible for any errors, that caused Miss F distress and inconvenience. I can see there is around a six-month gap where both parties did not contact each other. So, I first looked into what happened between May 2022 and July 2022. I then considered what happened in 2023. And then whether the offer made by Fidelity was fair and reasonable, based on what I found.

Events that took place between May 2022 and July 2022

To recap: Miss F said she tried to withdraw money on 24 May 2022. She received a call from Fidelity, and it called back on 25 / 26 May 2022. Fidelity sent a letter dated 26 May 2022 to say it hadn't been able to verify the bank account Miss F was trying to send money to. Miss F at this point realised she had given the wrong account details. On 1 June 2022 Miss F sent a secure message and asked Fidelity to cancel the transaction and remove the details. On 6 June 2022 Miss F received a secure message from Fidelity asking her to call it. On 6 July 2022 Miss F called to try and resolve. Fidelity called back on 8 July 2022 but couldn't get hold of Miss F.

Mr F on behalf of Miss F made the following comments about these events that took place between May 2022 and July 2022. He said:

- If Fidelity had only blocked the account that needed verifying and allowed new accounts to be used; Miss F could've set up a correct one and withdrawn money from it.
- When Miss F called on 25 May 2022, she was asked to name one of her investments and because she couldn't, Fidelity didn't speak to her.
- If Fidelity had accepted the secure message on 1 June 2022, the problem would have been resolved.
- If Fidelity had provided a direct dial number, the problem would have been resolved,
- When Fidelity called back on 8 July 2022, they would have known what the issue was, as they would have seen the secure message. So, they could have resolved it, but they did nothing.

Fidelity has provided comments about what happened during May and July 2022. It said on 24 May 2022, it applied a mandate stop. This is a block on Miss F's account and is done to prevent money from being moved off the platform until the issues are resolved. It said Miss F was still able to sell her investments but would have needed to resolve the issues in order to move money off the account.

Fidelity said it wasn't able to resolve the issue through a secure message and sent a reply to Miss F to say it couldn't give any information using this form of communication but asked Miss F to contact it by phone.

Fidelity said Miss F did call on 06 July 2022, but there was initially an issue with a phone number being verified. It said it only held Mr F's number as a verified one. So, it took Miss F's number and passed that onto a team member to call her back on. When it did call her back on 8 July 2022, there was no answer, and it wasn't able to leave a voice message as the number wasn't verified.

I have read both parties comments carefully. I can see clearly that there has been some difficulty between the parties in resolving things. Miss F wanted to withdraw money from her investment account and because she gave details of an account, she provided that could not be verified, a mandate stop was applied.

Fidelity said it applied a mandate stop to Miss F's account so that no monies could be moved off its platform. Mr F has queried this and suggested if it had only blocked the third-party bank account details provided by Miss F then there would be no problems from that point. He has also pointed to a possible system fault rather than a block.

I can see here though that Fidelity applied a complete block or stop to Miss F's account once it was unable to verify the bank account details that she provided. Presumably this is something Fidelity has built into its processes as a safety precaution, to protect Miss F's finances against anything that it considers it cannot verify or is a security issue. I don't think Fidelity has done anything wrong in this regard. I would expect it to have the same processes if this occurred again or if it happened with any other account it administered. Its intentions were to protect Miss F's funds, and I cannot find fault with what it was trying to do in this regard.

Fidelity said it wasn't its normal process to carry out an instruction through its secure messaging. It said it dealt with any issues of security and its mandate stop by talking to account holders on the phone, and this included Miss F. Again, I don't think its request is unreasonable at this stage. I have read notes that Fidelity has provided our service about the phone call that occurred between Miss F and Fidelity on 06 July 2022 and don't think Fidelity has made any errors here either. It was looking to get the right member of its team to speak to Miss F and do so on a telephone number that it had verified, to ensure it was talking to her and not someone else.

When it called Miss F back, she wasn't able to answer the phone, and it couldn't leave a message as the number for her was not verified. Again, at this stage, I don't think on balance, that Fidelity has done anything wrong. On balance, I think it is just a case of Miss F and Fidelity not being able to get hold of each other. This I can imagine would have been frustrating for Miss F, but at this stage, I don't think I can fairly say that it was Fidelity that was responsible for this solely or that it caused errors that contributed to this.

There was then a long gap in time from 8 July 2022 and January 2023, when neither party contacted the other. I don't currently think this long period has been caused by any one party and is simply a gap in time that occurred. Miss F needed to withdraw funds in January 2023 and so the next sequence of events happened then.

Events that took place in 2023

On 3 January 2023 Miss F tried to make a payment from her investment account to a different bank account to the one she gave details for originally. She said she received the same error message. On 5 January 2023 she raised a complaint, after trying to call Fidelity

but without success. Miss F said she had a long wait on the phone and wasn't able to get through to anyone.

On 19 January 2023, Miss F received a response from Fidelity on secure message. It said she could remove the mandate stop on this occasion, if she responded to the message to say she wanted to cancel the previous instruction from 2022. On 20 January 2023 Miss F messaged Fidelity back and said she did want the block removed and instruction cancelled.

Miss F said this wasn't done and there was still a block on her account. She said she continued to message and chase up Fidelity about this and in particular she sent a secure message on 18 April 2023 about it.

Fidelity responded to Miss F's messages on 9 June 2023, to say it doesn't normally act on an instruction by secure message and that it was a one off to resolve her complaint. Miss F said she tried again to resolve and ask Fidelity to remove the block and her last attempt was 4 July 2023.

Fidelity has confirmed to our service that Miss F's initial attempt on 3 January 2023 to transfer funds to another bank account failed because of the mandate stop that was still applied to the account from the events that occurred in 2022.

It has told our service that an email was sent internally on 6 June 2023, where a staff member asked for the mandate stop to be removed but that this wasn't completed. It let our service know that it had removed the mandate stop on 4 August 2023.

I have read the secure messages between the parties and can see that Fidelity offered to remove the mandate stop on Miss F's accounts and cancel the instruction. It offered to do this on 19 January 2023.

It said, "I notice that you state the bank details are incorrect and you would prefer a different bank account to be used, to have this matter resolved, please either respond to this secure message or call the resolution number below to confirm whether you would like to have the bank account ending in xxxx removed".

Once confirmed I can inform our banking team, and have it removed so we can proceed to remove the hold from the account, and you can proceed with your withdrawal".

I have read this and consider Fidelity has clearly stated it would remove Miss F's previous instruction and mandate stop from her accounts if she either messages back and requests it or phones them. Miss F messaged back and requested this the following day. But Fidelity didn't remove the mandate stop until 4 August 2023, around seven months later. I can see Miss F had tried to resolve things and sent chaser messages to Fidelity but wasn't able to resolve matters with it.

Fidelity has told our service that it acknowledges not removing the mandate stop when it offered to, would have caused her inconvenience.

I am satisfied after seeing all this, that Fidelity is responsible for errors here, and has caused a lengthy delay of around 7 months. It could have removed the mandate stop when it said it was going to, in January 2023, but instead due to errors that it caused, it made Miss F chase them, and take action to obtain her funds, as well as wait for around 7 months before the block was removed. So, I uphold Miss F's complaint. I am currently minded that Fidelity's errors have caused Miss F distress and inconvenience.

Fidelity has made an offer of compensation for the errors I have identified. I will now go on to consider whether its offer is fair and reasonable or not.

Is the offer made by Fidelity fair and reasonable?

Fidelity has acknowledged it made errors and that it caused a delay in removing the mandate stop on Miss F's account. It has said sorry for this and offered £100 for the inconvenience caused. Miss F has turned this down.

I am currently minded to uphold Miss F's complaint about the delay caused by Fidelity in 2023, for the reasons given above. I also don't think its offer of compensation is enough.

I think when Miss F had received the response from Fidelity on 19 January 2023, she would have expected to see the problems she encountered with trying to make a withdrawal, come to an end. She had received a message from Fidelity advising that if she responded to the message and asked for her previous instruction to be removed, then it would be, and the mandate stop would also be removed. It must have been incredibly frustrating for her, for this not to have happened.

The issue then dragged on for several months, and then when Miss F then received another message from Fidelity around 5 months later, it was to tell her that it doesn't normally remove instructions by secure message instruction. Even though it was Fidelity that had suggested Miss F could do this. And the mandate stop though was still in place.

It took around 7 months for Fidelity to remove the mandate stop on Miss F's account, and with all that I have said above, I can imagine that this would have caused her prolonged distress and inconvenience. Miss F has told our service that she had to take other measures to obtain funds in her investment account, needed for a house purchase. This involved her moving cash to an ISA account and transferring to another provider.

I think in the circumstances that I have just described, £100 is not enough. I think Fidelity should pay £300 compensation to Miss F for the distress and inconvenience it caused.

In conclusion, I don't currently think I can fairly say Fidelity were responsible for any errors in 2022, when Miss F tried to withdraw funds. But I currently find Fidelity were responsible for a delay, to Miss F doing the same in 2023. I currently am minded to conclude it was responsible for causing her distress and inconvenience and it should pay £300 to put things right."

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

Fidelity replied on 29 February 2024. It said it accepts the contents of my provisional decision.

Mr F, Miss F's representative responded on 21 February 2024. He made several points and I have read them all. Mr F has helpfully highlighted his key points. These being:

- Fidelity said they called Miss F back on 8 July 2022, but when it received no answer, it made no attempts to make further contact with her. It didn't send her any communication at all to say it needed to contact her. He said, it knew it had put a block on withdrawals, but it just abandoned her and left her in this predicament.

- When a company knows that it must call a customer back about a problem that it will only resolve via a phone call, is it good practice to make one attempt at calling them back and then take no further action?
- Fidelity should have done more when they were unable to contact Miss F on 8 July 2022. It knew it had blocked her accounts. As part of its processes, it knew it had to deal with this over the phone so why didn't it do anything? They just left it for Miss F to call back again, without telling her that she needed to.

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'd like to thank Mr F for his response to my provisional decision. I would like to assure him from the outset that I have carefully read what he has said.

Mr F said he and Miss F are happy with what I have said about the events that took place in 2023. Fidelity accepts the contents of my provisional decision. So, I don't need to go over what happened in 2023 again, both parties accept my findings.

What is left for me to consider again, is what happened in 2022 and in particular what happened when Fidelity called Miss F back on 8 July 2022. I do acknowledge what Mr F is saying and the points he has made here. I do agree with him to a point, that it would have been good practice for Fidelity to have tried to contact Miss F again, after it had made its initial attempt to contact her.

That said, it did return her call and then neither party made any attempt to contact the other after this point. I am still persuaded that the parties at this stage just weren't able to get hold of each other. Miss F called on 6 July 2022 and Fidelity returned the call on 8 July 2022. But the right team member from Fidelity was unable to speak to Miss F on either occasion. And neither party followed this up.

As I have said above, I acknowledge the points Mr F has said about Fidelity providing good service. But I don't think I have seen enough at this stage of Miss F's complaint, to say Fidelity made errors or had done anything wrong. I don't think it would be fair and reasonable in the circumstances of this complaint, to say errors had been caused by Fidelity for the mandate stop still being on Miss F's account past 8 July 2022. Instead, at this stage, I think it was more the case, that the issue remained unresolved, and needed to be dealt with by both parties. So, my findings that I set out in my provisional decision about what happened in 2022 remain, and I don't uphold this part of Miss F's complaint.

Fidelity did cause Miss F distress and inconvenience due to the events that occurred in 2023 though. So, I uphold Miss F's complaint and Fidelity now need to put things right.

Putting things right

I think Fidelity should pay compensation to reflect the amount of distress and inconvenience I think Miss F had to endure though in 2023. To put things right in all the circumstances of Miss F's complaint, Fidelity should look to do the following:

- Pay Miss F £300 for the distress and inconvenience caused for the reasons I have already given.

My final decision

My final decision is that I uphold Miss F's complaint about Financial Administration Services Limited. I direct Financial Administration Services Limited to put things right as I have described above.

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

Mark Richardson
Ombudsman