

The complaint

Mr H's complaint against Financial Administration Services Limited ("Fidelity") is that when he changed his investment funds online his monthly direct debit wasn't collected, and he missed a contribution to his ISA.

What happened

Mr H had an ISA account with Fidelity and used a regular savings plan to make monthly contributions. On 27 June 2023 Mr H made some changes to the funds he was invested in through his account. When his regular direct debit wasn't collected on 10 July 2023, Mr H complained to Fidelity that he had missed a contribution to his ISA.

Mr H said he wasn't aware that his direct debit would not be collected. He had changed his funds multiple times in the past and there had never been a problem. He was given no information about his direct debit being missed, which was misleading. As a result, he missed out on a month's contribution to his ISA which he is using to save for a mortgage. He said Fidelity should compensate him for his financial loss and the inconvenience they have caused.

In response to Mr H's complaint, Fidelity said they informed him during a call on 10 July 2023 that changes to his account could take up to 12 working days to take effect, and his direct debit collection date of 10 July was within the 12 day period from when he made the changes to his investments. They added that when Mr H made the changes, he would have received confirmation of when his next collection would take place.

Our investigator looked into Mr H's complaint but didn't uphold it. She didn't think Fidelity had made an error as Mr H gave the instruction that his next direct debit collection should be August 2023. She also said that under the terms and conditions of his account, Mr H agreed that he would give 12 days' notice should he wish to make a change to a scheduled payment, and he did not do so in this case.

Mr H didn't accept our investigator's findings and asked for an ombudsman to make a final decision. He said:

- Fidelity's own customer service assistant was surprised the payment had been missed, which supports his complaint.
- The investigator's conclusions are irrational. He has changed funds in the past and nothing like this has happened.
- If there were no shortcomings on the part of Fidelity, why did they offer him compensation, albeit it was unreasonable.

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 might be helpful to explain first the role of the Financial Ombudsman. We provide an independent, informal dispute resolution service, where decisions are made based upon the balance of probabilities. We have a duty to resolve complaints based on what we think is fair and reasonable in all the circumstances of the case.

Fidelity have provided copies of sample screenshots showing what Mr H would have been asked to complete when he made the changes to his investments in June 2023. These show that there would have been four boxes relating to Mr H's direct debit – amount, frequency, collection date and next collection. Fidelity have said that all of the boxes can be edited by the customer and the last three have drop down options.

Fidelity have also provided a screenshot from their instruction capture system showing that on 27 June 2023 the next collection date for Mr H's account was set to 10 August 2023. I note too that once the amendments had been made, Mr H would have seen a screen confirming the next collection date.

I've also listened to recordings of Mr H's calls with Fidelity on 10 July 2023. During the calls Mr H told Fidelity that the online confirmation had said the changes to his fund selection would take effect from August. But he didn't think that would stop his direct debit from being collected in July.

Taking all this into account, I think it is most likely that when Mr H made the changes to his investments, he selected 10 August 2023 as the next collection date for his direct debit. I accept that the confirmation screen did not say explicitly that the direct debit would not be collected in July; it just said that the next collection would take place in August. So I appreciate that while Mr H knew the changes to his fund allocations would take effect in August, he might not have realised that his direct debit would not be collected in July.

However, whilst I accept that Fidelity's online process could have made things clearer – and Fidelity have said they will consider Mr H's feedback – I can't fairly say they did anything wrong. Mr H selected 10 August 2023 as the date for next collection and Fidelity acted accordingly. If Mr H had selected 10 July 2023, I think it is most likely his direct debit would have been collected on that date.

I recognise that Mr H feels strongly about what happened and realise this will be a disappointing decision for him, but I won't be upholding his complaint. I note that Fidelity previously made an offer to Mr H to resolve his complaint. That is a matter between Fidelity and Mr H but, as I won't be upholding this complaint, I won't be asking Fidelity to do anything more.

My final decision

For the reasons I've explained, my final decision is that I don't uphold Mr H's complaint against Financial Administration Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 21 May 2024.

Matthew Young
Ombudsman