

The complaint

Mr H1 and Mr H2, on behalf of the estate of Mrs H, complain about delays that occurred during the surrender of a stocks and shares ISA, which was arranged by Albert Goodman Financial Planning Limited.

What happened

Mrs H held an ISA and a bond with Transact and Prudential respectively, via her advisers, Albert Goodman. She sadly passed away in March 2022, and her two sons were appointed as executors and acquired a Grant of Probate in July 2022. For ease of reference, I'll refer to the son who has predominantly been dealing with Albert Goodman as Mr H1 and his brother as Mr H2. The following events then took place:

- 27 July 2022 – Albert Goodman received the Grant of Probate and sent a copy to Transact, asking for confirmation of surrender and withdrawal requirements.
- 17 August 2022 – Transact provided that information by post.
- 30 August 2022 – Albert Goodman received the signed letter of instruction from Mr H1 and Mr H2 to surrender the bond and forwarded it to Prudential.
- 2 September 2022 – the bond was encashed.
- 22 September 2022 – Albert Goodman sent Mr H1 and Mr H2 the letter of instruction to be completed for the ISA.
- 26 September 2022 – Albert Goodman received the signed letter of instruction to surrender the ISA and forwarded it to Transact.
- 30 September 2022 – the ISA was encashed for £220,511.59.
- 12 October 2022 – Proceeds from the ISA were paid out to the nominated account.

Mr H1 and Mr H2 raised a complaint about the delay, as the ISA value had dropped since July. Albert Goodman offered to pay them the difference between the value upon encashment on 30 September and the value they would have received had the investments been sold on 2 September (the same date as the bond) of £224,816.85. This offer amounted to £4,305.25.

This wasn't accepted, as Mr H1 and Mr H2 felt the withdrawal from the ISA ought to have been processed at the beginning of August. Albert Goodman disagreed – Mr H2 had been out of the country and so didn't sign the paperwork regarding the bond until the end of August, and they felt the same would have happened with the ISA. Mr H1 and Mr H2 explained that the surrender of the bond wasn't as urgent as the ISA – the bond was worth less than the ISA and was considered a less volatile investment. If they'd known the ISA required signed instructions, Mr H2 would have made arrangements to sign the paperwork earlier. As no agreement was reached, Mr H1 and Mr H2 brought the complaint to our service.

An investigator looked into the complaint, and came to the conclusion that Mr H1 and Mr H2 would have acted with more urgency with regards to the ISA had they been given clearer instructions. She said that the investments within the ISA likely ought to have been surrendered during the first week of August 2022. Albert Goodman disagreed, saying that Mr H1 and Mrs H2 have made these arguments with the benefit of hindsight only and felt it was

unlikely Mr H2 would have travelled back from his trip to sign the form at the time. Even if he had, they weren't convinced that would have meant any further amount would be owed – they pointed to the fluctuating values of the investment over the first week of August and showed that on some days, it was worth less than on 2 September 2022.

Mr H1 and Mr H2 explained that Mr H2 was in Europe so would have easily travelled back. Taking the travel time into account, they felt it would have been more likely that the ISA would have been encashed in mid-August at which point the value was around £6,000 higher than on 2 September 2022. As no agreement could be reached the complaint was passed to me for a decision.

Initially I issued a provisional decision on the complaint dealing with the issue of when the ISA ought to have been encashed and said, in summary:

- I'd received new information from Albert Goodman showing that they had asked Transact what their requirements were earlier than previously evidenced. Transact had replied by post in a letter dated 17 August, which Albert Goodman would have received a couple of days later. So, Albert Goodman ought to have gotten in touch with Mr H1 and Mr H2 in the week beginning 22 August. As this was close to the date Mr H2 was already planning on returning to the UK, I wasn't convinced he'd have made efforts to sign the relevant paperwork earlier than the bond paperwork.
- I found that Mr H1 and Mr H2's actions in 2022 were more persuasive than their testimony of what they would have done, had they known more about the encashment process earlier. This was because:
 - They didn't ask about the ISA after 27 July until 22 September, three weeks after the bond was surrendered.
 - Their testimony was given with the benefit of hindsight – particularly with the benefit of knowing the value of the ISA at the relevant times.
 - The value of the ISA at the beginning of September was around the same as the value at the start of August. If they'd received that value, at that time, I questioned whether they'd have raised this complaint at all, as the time taken wouldn't have caused any perceived loss.
- Overall, I found it was more likely than not that Mr H1 and Mr H2 would have completed the paperwork for the ISA at the same time as the bond and so the offer made by Albert Goodman was fair.

Mr H1 didn't agree with this, in part because he felt it wasn't reasonable for Albert Goodman to wait from 27 July to after 17 August for a reply from Transact – they should have chased this sooner, or ought to have already been aware of the requirements in this scenario. He added more detail to his previous points about when the ISA ought to have been encashed and made new arguments about how redress should be calculated, particularly in relation to interest payments and fees that were deducted.

Following further representations from both parties, particularly on the issue of redress, Albert Goodman offered to refund any adviser fees they'd received from 2 September 2022 to the date the investment was closed, plus interest at a rate of 8% simple on that refund, from 2 September to the date of settlement. They also agreed to pay 8% simple interest on the £4,305.25 offered, from 2 September 2022 to the date of their original offer, 3 November 2022.

I issued another provisional decision setting out how Albert Goodman should put things right. My findings from that provisional decision are copied at the end of this decision and form part of my final decision. Both parties accepted that provisional 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.

Having done so, in light of the acceptance from the parties, I've reached the same conclusions as in my provisional decision (copied below), for the same reasons, and make them final.

Putting things right

To put things right, Albert Goodman should:

- Pay 8% simple interest per year on £224,816.85 from 2 September 2022 to 30 September 2022. This is because Mrs H's estate was deprived of use of this money from 2 September 2022.
- Pay £4,305.25, plus 8% simple interest per year on that amount, from 30 September 2022 to the date of settlement.
- Refund any fees taken after 2 September 2022 and pay 8% simple interest per year from the date the fees were taken, to the date of settlement.

My final decision

I uphold the complaint. My decision is that Albert Goodman Financial Planning Limited should pay the amount calculated as set out above.

Albert Goodman Financial Planning Limited should provide details of its calculation to Mr H1 and Mr H2 in a clear, simple format.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H1 and Mr H2 on behalf of the estate of Mrs H to accept or reject my decision before 16 April 2024.

My provisional decision

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Firstly, I've reconsidered the timing of the surrender. While I've taken into account all of Mr H1's points, I'm not persuaded to change my findings as to the date to be used when calculating the amount the ISA would have been worth but for the delays caused by Albert Goodman. I'll explain why.

It's not unusual for independent advisers to need to ask product providers what their requirements are on the passing of a customer. This is because some providers have different requirements depending on the value of the investment, and their requirements can change over time. So, I'm satisfied it was reasonable for the question to be asked of Transact.

Even if Albert Goodman had chased Transact for an earlier reply, there's no proof this would have prompted Transact to act any quicker. So, I'm not persuaded it's fair to conclude Albert Goodman ought to have had this information any earlier than they did. It follows that Mr H1 and Mr H2 would have found out the requirements for the surrender of the ISA at some point in the week beginning 22 August. As this is close to the same date as the bond, I don't think it's unfair or unreasonable to use the same timeline as the bond, for the ISA.

I appreciate Mr H1 and Mr H2 will be disappointed with this. I must make a finding as to what I consider to be fair and reasonable, and while I've carefully considered their arguments, I'm not persuaded I have enough evidence to convince me that the ISA ought to have been surrendered earlier than the bond.

Turning to how Albert Goodman should put things right, my goal is to put Mrs H's estate in the position it would be in now, but for the error made. With that in mind I've considered the following events:

- *On 2 September 2022 the ISA ought to have been surrendered for £224,816.85.*
- *No further advice fees should have been taken from that date.*
- *On 30 September 2022 the ISA was encashed for £220,511.59.*
- *On 3 November 2022 Albert Goodman made an offer of £4,305.25 in full and final settlement of the complaint.*

I appreciate Albert Goodman agreed to pay 8% simple interest on the £4,305.25 from 2 September to 3 November 2022 due to my suggestion that this could be a fair way to settle matters. However, having reconsidered all the comments we've had since then, I don't think it would be a fair way to settle matters. This is particularly due to the fact the offer was made in full and final settlement, but it was missing key elements of redress. Namely, that no interest was offered on the £220,511.59, and the fees weren't refunded. So, I don't think it would be fair to cap the interest at 3 November 2022, on any part of the offer.

So, to put things right, Albert Goodman should:

- *Pay 8% simple interest on £224,816.85 from 2 September 2022 to 30 September 2022. This is because Mrs H's estate was deprived of use of this money from 2 September 2022.*
- *Pay £4,305.25, plus 8% simple interest on that amount from 30 September 2022 to the date of settlement.*
- *Refund any fees taken after 2 September 2022 and pay 8% interest from the date the fees were taken, to the date of settlement.*

Katie Haywood
Ombudsman