

## **The complaint**

Ms E complains that Freetrade Limited won't allow her to cancel her SIPP account and return the funds held in it to her.

She also complains that Freetrade Limited won't downgrade her Freetrade Plus plan to a standard or basic account.

## **What happened**

On 20 January 2023 Ms E opened a Freetrade SIPP and sent a contribution to fund it.

The funds were not applied to the SIPP straight away which caused Ms E to be concerned. She contacted Freetrade and discussed her options for cancelling the plan. Freetrade explained that Ms E was entitled to cancel her SIPP account and have the contributions returned if the request to cancel was made within the first 30 days of the SIPP being opened, as per its terms and conditions and the relevant regulators rules.

Ms E approached her previous workplace scheme about transferring the contribution to them. But it said it wouldn't accept a transfer as Ms E was no longer actively contributing to its plan.

Ms E later asked Freetrade to return her funds to her by way of cancellation. However, Freetrade said the request had been made outside of the 30-day cancellation period that it had previously told her about.

During a conversation with Freetrade on 14 March 2023 Ms E made it clear she was unhappy that Freetrade wouldn't cancel her SIPP and return her funds to her. She asked that Freetrade raise a formal complaint.

On 3 April 2023 Freetrade sent Ms E its final response letter (FRL) to her complaint. In it Freetrade explained that it couldn't cancel Ms E's SIPP and return the funds to her as the cancellation request was made outside of the 30-day cancellation window which was outlined in the terms and conditions. However, as a gesture of goodwill Freetrade offered to waive two months' worth of fees while Ms E sought an alternative provider to transfer her funds to.

In October 2023, when Ms E received her monthly invoice for her Freetrade subscription, she asked that it cancel the subscription as she was not using her SIPP account. She noted funds were still held in it while she waited to find a pension company to transfer the funds to.

Freetrade said it was unable to waive the fees for the SIPP account but noted Ms E was able to transfer her funds once she had found a new pension provider. Ms E was unhappy with Freetrade's response so asked them to raise a further complaint.

On 18 December 2023 Freetrade sent Ms E the FRL to her most recent complaint. In summary Freetrade again said it was unable to close Ms E's account by way of cancellation as no request had been made within the initial 30-day cancellation period. It went on to

explain that in order for Ms E to downgrade her Freetrade Plus subscription, she'd need to transfer the funds out of her SIPP to another pension provider.

Ms E remained unhappy with Freetrade's responses and so brought her complaint to our Service on 19 December 2023.

Our investigator looked into Ms E's complaint and spoke with her about it. He explained that Freetrade had given Ms E referral rights to the Financial Ombudsman Service in their first FRL which meant she needed to bring her complaint within six months of that letter. Ms E said she hadn't received a letter from Freetrade in April 2023 and the December 2023 FRL was the only one she'd received.

Our investigator went on to give his view having investigated Ms E's complaint. He said Freetrade had initially answered Ms E's complaint about the cancellation period of her plan in April 2023. But as Ms E hadn't brought that complaint to our Service until December 2023, it had been made too late.

Our Investigator said the only remaining issue he could consider was Freetrade's response to Ms E when she asked to downgrade her account. However, he thought Freetrade's response was in line with the terms and conditions of Ms E's plan. So, he didn't think they'd acted unfairly.

Ms E disagreed with our investigator's opinion, so the complaint has been passed to me for a 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.

I appreciate this will come as a disappointment to Ms E but for broadly the same reasons as our Investigator gave, I think Ms E's complaint is partly outside of our service's jurisdiction. I also agree that, for the parts of Ms E's complaint I can consider, Freetrade have acted fairly. I'll explain why.

I'm satisfied that Ms E originally complained to Freetrade in March 2023 regarding the cancellation of her plan.

In April 2023 Freetrade sent Ms E a response to her complaint and provided referral rights to our service. Importantly the response said Ms E needed to refer her complaint within six months of that final response.

I've listened to Ms E's testimony that the final response wasn't received in April 2023. 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 have happened.

Freetrade have sent us a copy of the communications they had with Ms E around that time. I can see from this that Freetrade emailed Ms E the FRL on 3 April 2023. It said it had finished the investigation and attached the final response to the email it was sending her. It noted that if Ms E had any questions she could get in touch.

In direct reply to that message containing the FRL Ms E said *"If you checked my communications with your colleagues, you can see that I requested for this to be cancelled before the 30. Please check your records before I go to the ombudsman"*

Further messages were sent between Ms E and Freetrade on that email chain regarding the cancellation of her plan. The content of Ms E's messages in which she challenged the details contained in the FRL make me think it's likely, on balance, she received the FRL. Further, as the FRL specifically mentions that Ms E had six months to make her complaint, I think she'd have understood this having received the FRL.

I've seen no evidence Ms E referred her complaint about the cancellation of her plan to our Service within six months of receiving the FRL from Freetrade. Given that, as far as our rules are concerned, I have to conclude that Ms E made her complaint too late.

I appreciate that Ms E might think we should still look into her complaint on the basis that Freetrade issued a further complaint response in December 2023 (in relation to a similar complaint made around that time) which included fresh referral rights to this Service. But the question I have to consider here is whether in doing so, Freetrade effectively withdrew the response it gave in April 2023 because it had reached a materially different outcome having reinvestigated the matter. I don't think that's what happened here.

I can see that much of Freetrade's later response refers back to what it said in April 2023 and its overall position appears largely unchanged. Given that, I'm satisfied it's the April 2023 response that counts for the purposes of considering whether Ms E has brought her complaint in time. As I've already said, Ms E didn't make her complaint within six months of the letter of April 2023, so she hasn't brought her complaint in time.

In her later complaint in November 2023, Ms E also asked Freetrade to cancel the fees for her SIPP as she said she shouldn't pay a monthly fee for an account she was not using. She asked Freetrade to raise a formal complaint if it was unable to waive the fees.

I appreciate Ms E was in a difficult position whereby she wanted to transfer her funds away from Freetrade but didn't have a pension that allowed her to do so. And she may still be in that position now. But I can't say Freetrade are treating Ms E unfairly by continuing to charge for her account while it remains open with them and contains funds. I'll explain why.

When Ms E opened her SIPP she would have agreed to the terms and conditions which govern both the general Freetrade account and specific terms relating to the SIPP. Freetrade sent us a copy of the terms and conditions which have also been shared with Ms E.

I'm satisfied the terms and conditions of Ms E's account allow for Freetrade to charge Ms E a monthly subscription for the Freetrade Plus account while she has an open SIPP. I'm also satisfied that Freetrade have applied the terms fairly when saying Ms E can't downgrade to a free account as that doesn't include access to a SIPP so, while Miss E's SIPP remains open, Freetrade are entitled to continue to charge for it and not allow Ms E to downgrade her account to a basic, free account.

I appreciate Freetrade have previously waived some of their fees as a gesture of goodwill while Ms E attempted to find a new provider. But ultimately that was a commercial decision made by Freetrade and it wouldn't be fair for me to direct them to continue to do so. Freetrade are still administering Ms E's funds and have responsibilities that come with that. So, it's only fair that they continue to charge for the service they are providing. I therefore don't think Freetrade have acted unfairly or unreasonably here.

I understand my decision will be disappointing for Ms E, but I encourage her to get financial advice to find out what her options are for moving her funds away from Freetrade if she still wishes to do so.

**My final decision**

In relation to the part of the complaint that I have the authority to consider, my final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E to accept or reject my decision before 26 August 2024.

Timothy Wilkes  
**Ombudsman**