

The complaint

Mr J complains that AJ Bell Securities Limited ('AJ Bell') has behaved unfairly in respect of his share dealing account. He believes that AJ Bell failed to provide any financial advice when he undertook share purchases. He also says that these purchases and their fees led to him suffering a financial loss. Mr J contends that AJ Bell is responsible for that loss.

What happened

On 2 February 2024, Mr J made a formal written complaint to AJ Bell via email. He said that he had lost money on his investments and this had caused him to suffer a period of financial hardship. Mr J explained that he didn't receive any advice to determine if he could take on the risk posed by share dealing and the documentation issued by AJ Bell was misleading. He believed that AJ Bell should return the money he'd lost – which he calculated as £777.77.

AJ Bell emailed Mr J back on 5 February 2024. It said it operated an execution only platform, and it was not liable for any loss or gain made by investors using the platform. The decision to invest (and the choice of which stock to invest in) was Mr J's responsibility. AJ Bell clarified that it was not authorised to give financial advice, and its terms and conditions confirmed as such.

Mr J said he was unhappy with AJ Bell's response and it therefore agreed to undergo a full investigation into the complaint.

On 28 February 2024, AJ Bell rejected the complaint. It said Mr J had agreed to be bound by its terms and conditions when he opened his share dealing account. Those terms made clear that Mr J would be making investments of his own choosing and AJ Bell did not offer financial, investment or tax advice at any time.

Mr J then referred his complaint to this service, where it was reviewed by one of our investigators. He sympathised with Mr J's belief that the information AJ Bell had issued to him regarding share offerings constituted financial advice – but he didn't agree. Our investigator took the view that the publications AJ Bell issued were not recommendations and Mr J had used his own judgement when deciding which shares were suitable for him.

Mr J disagreed. He said that he wanted his complaint to be referred to an ombudsman. He also said:

- He questioned whether the investigator had looked at his complaint thoroughly enough or considered all the facts before giving an opinion.
- He questions if this service is actually impartial.
- The shares magazine was merely one example of literature issued by AJ Bell, where Mr J contends advice was given.
- In his view, AJ Bell provides financial advice and just adds get-out clauses to its literature saying it isn't giving financial advice.
- He hasn't agreed to any terms or anything at all.

- In his case, he has lost money on his share dealing – if AJ Bell had given him advice, this would not have happened.

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 thank the parties for their considerable patience whilst this matter has been awaiting referral for consideration by an ombudsman.

In reaching my decision, I will take into account relevant law and regulations, regulator's rules, guidance, standards and codes of practice, along with what I consider to have been good industry practice at the relevant time. I will also focus on the issues I believe to be central to the complaint. I do not intend that as a discourtesy to the parties, particularly Mr J – as I note he felt his complaint was not properly considered. However, my role is to review the evidence presented by Mr J and A J Bell, and reach what I think is an independent, fair, and reasonable decision based on the facts of the complaint.

I am also aware that Mr J feels that in reaching an outcome to this complaint, the subjective opinion of an ombudsman or investigator is insufficient. To clarify, that is merely the style of our decisions, whereby the person writing to the parties conveys their individual conclusions.

We are not a court; and though there are rules I may rely on in respect of complaint handling procedures, I'm not required to comment on each point or make specific determinations on every submission put forward. As I set out above, I have looked at all of the evidence from both parties to make my determination.

Having reviewed matters carefully, I've reached the same overall outcome as the investigator and I'll summarise my reasons for that below.

I appreciate that Mr J is understandably upset at losses made on his investment. Whilst I understand the depth of Mr J's feelings about this matter, I am satisfied that AJ Bell doesn't act as an advisory business. This is in line with its permissions set out in accordance with Financial Conduct Authority ('FCA') regulation. It is able to arrange deals in investments - for which it was able to assist Mr J in the purchase of his shares through its platform – but it cannot give advice or make recommendations to share dealing customers.

Mr J says he did not make any agreements with AJ Bell – but that isn't the case. In opening his share dealing account, he agreed to the terms and conditions applying to the account. Those terms state (on the first full page):

"Your relationship with AJ Bell

These Terms form part of the contract between you and us and so it is important that you read them carefully and in full before completing an Application to open an Account. Once we have confirmed that your Application has been approved, you will have a contract with us. The terms of the contract are referred to collectively as the Agreement.

The Products and Services are provided to you on an execution only basis. This means that we do not provide, nor should anything on our website or any linked Website be construed as financial, investment or tax advice. We do not assess the suitability or appropriateness for you of the Accounts that you choose, the

investments that you choose for your Accounts or the other services we provide to you.”

Dealing shares is typically carried out through platforms and through brokers – which is the function AJ Bell performs. A broker will typically charge commission for its work carrying out the trade, but it will do this on an ‘execution only’ basis. In an execution only arrangement, the customer is responsible for their decision to buy, sell or hold shares. AJ Bell couldn’t go beyond this capacity, because it is not authorised (with the FCA) to give advice.

I believe the terms I have set out above make clear that AJ Bell did not provide any advice to Mr J. I have also looked at the literature issued to Mr J in the form of magazines and I am satisfied these do not amount to advice either. When it sends shares magazines to customers – including Mr J – AJ Bell provides the following warning:

“Shares magazine is provided for your general information and use and is not a personal recommendation to invest. AJ Bell does not offer advice, so it’s important you understand the risks. If you’re unsure please consult a suitably qualified financial adviser.”

The warning also gives a link to ‘risks’ information on its website, where it is further confirmed that the information given does not constitute any form of advice.

It follows that I believe AJ Bell didn’t advise Mr J to purchase his shares; it merely provided information to Mr J and facilitated the purchase in its function as a broker. Though I am sorry to learn Mr J is now unhappy with the decision to purchase shares, I do not believe he was unduly influenced by AJ Bell to do so and I cannot hold it liable for the losses he seeks now.

My final decision

Though I realise my decision will not be what Mr J has hoped for, I am unable to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr J to accept or reject my decision before 14 February 2025.

Jo Storey
Ombudsman