

The complaint

Miss R has complained that Santander UK Plc ('Santander') moved her Premium Investments Service portfolio to its Investment Hub facility. She requested her account be closed but this didn't happen. Miss R says she has lost out financially because of this.

What happened

Miss R held a stocks and shares ISA with Santander as part of its Premium Investments Service since 2001. Miss R paid an ongoing service fee for the account. Her account was valued at around £340,000.

In 2021/2022 Miss R was informed her Premium Investments Service account would be moved to Santander's Investment Hub which was an execution only service. Miss R wasn't happy with the move, the level of personal service, the costs incurred, and she wanted to transfer to another platform provider.

Miss R said she visited a branch – not her own as her branch was closed – and a call back was arranged where she gave instruction for her account to be closed but this didn't happen. Miss R raised a complaint with Santander.

Santander issued its final response on 24 March 2023. It didn't uphold the complaint and said;

- Miss R had been concerned the move to the Investment Hub would incur costs of £4,000 but she had been advised there were no transfer fees. It was confirmed that all Premium Investments Service accounts were being transferred.
- It highlighted the three options open to Miss R to close her Investment Hub account – sell the investments via phone instruction, she could write with her instructions to sell and transfer funds to a Santander bank account or write instructing the same but for the transfer of funds to a different bank. Miss R was also advised of how she could protect her ISA status with a new provider.
- Miss R had questioned the 'closure' [I take this to mean redemption/disposal] of one of her funds in May 2022 and her thinking this meant the closure of her full Investment Hub. This wasn't the case. And Miss R had been written to about that specific fund and what her options were, but she hadn't responded so the holding was sold.
- There wasn't any evidence that Miss R had tried to close her Investment Hub account.

Remaining dissatisfied with the outcome Miss R brought her complaint to this service. Our investigator who considered the complaint didn't think it should be upheld;

- Santander was entitled to withdraw its previous service – the Premium Investments Service.
- It was explained to Miss R over the phone on several occasions she would need to

give instruction to close her account or where it should be transferred. Santander offered to go through the process with Miss R, but she wanted an in-person appointment.

- In a further call Miss R said she had already given instructions for her account to be closed but was informed that the account was still open, and Santander offered to take instruction to close the account, but Miss R refused as she had considered she had already given that instruction.
- While Miss R would have preferred an in-person meeting Santander had offered to take her instruction over the phone or in writing which was reasonable and allowed her the opportunity to close her account before it was transferred to the Investment Hub. It was for Miss R to give instruction about the account closure or transfer.

Miss R didn't agree;

- Miss R was adamant that during a call back after her in branch visit, she gave instruction for her account to be closed and was told that would happen. None of the blame lies with her.
- Miss R should never have been offered the Investment Hub in the first instance. Santander was aware that she didn't use online services as she had been with Santander (and its predecessors) for many years.
- She thought that some of Santander's evidence was missing, it hadn't provided full conversations and it had omitted to submit her view of things. No reference was made to what actually happened.

Our investigator responded to Miss R, but her comments didn't change his opinion. As the complaint remains unresolved it 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.

After doing so, I've reached the same conclusion as the investigator and broadly for the same reasons. I'll explain why.

I appreciate that Miss R is absolutely sure that she gave an instruction over the phone for her account to be closed and was assured she didn't have to take any further action. And I can further appreciate why Miss R didn't want the Investment Hub service as she wasn't online and had the most basic of mobile phones. So, it wasn't right for her circumstances. Saying that, I've reviewed what happened both before and after the transfer to the Investment Hub.

Information provided to Miss R prior to the transfer

I've considered what information Miss R was given about the changes to her Premier Investments Service account and whether she was given sufficient warning of what those changes would mean for her in order for her to take action if she didn't want her account to be transferred.

I've reviewed the information Santander provided to Miss R in advance of the transfer. Miss R was written to on 4 September 2020 about her Premium Investments Service and it was highlighted Miss R hadn't taken advantage of an adviser review which was part of the service and something that Miss R paid for. It said that Miss R was paying for a service she

wasn't choosing to take and as a review hadn't taken place for some years, Santander couldn't be certain Miss R's investments were suitable for her.

With reference to the adviser reviews Santander said that Miss R was called three times in October/November 2019 and two times in August/September 2020 about an adviser review without any response so Miss R was contacted by letter. I also understand that further to Miss R's request for a face-to-face meeting in December 2020 – which Santander had told her it no longer offered – she was called over two different days but without success. So, I think Santander made sufficient effort to contact Miss R about the need for an adviser review as part of the ongoing service the Premier Investments Service account offered.

And I am satisfied that Santander had made clear to Miss R that it no longer offered in branch face to face adviser reviews. I see from Santander's records that Miss R had voiced her dissatisfaction about this with Santander in May 2019, but she was informed she would need to contact the Premium Investments Service for an adviser review which would take place over the phone as it was no longer offered in branch.

In correspondence I see that Santander confirmed to Miss R that its Premium Investments Service was going to be transferred to the Investment Hub and the reasons for that. If the ongoing advisory service option was chosen it was to be rebranded as the Model Portfolio Service.

However, as Miss R hadn't had a recent adviser review Santander couldn't be sure the Model Premium Service option was the right one for her. Because of this, Miss R was given the anticipated options of either calling to arrange for an adviser review or for her to ask Santander to move her account to the Investment Hub and Miss R would no longer pay for an ongoing advisory service. As a result, the account would be an execution only service and the management of Miss R's investments would fall to her.

Miss R was given full cost details as well as an explanation of how the Investment Hub would work, and in comparison to the Premium Investments Service. Santander said that if it didn't hear back from Miss R by 30 October 2020 it would contact her to let her know how it intended to service her Premium Investments Service account in the future.

Miss R was written to again on 11 May 2021 as Santander hadn't heard from her and it confirmed her Premium Investments Service account was moving to the Investment Hub on 21 June 2021. And it would be outside of the Model Portfolio Service so the ongoing advisory service relationship would be terminated. Miss R was again given details of the account types and told she still had time to make contact in order to take action prior to the transfer if she wanted to.

While I appreciate this must have been frustrating for Miss R – it wasn't a service that suited her – I'm satisfied Miss R was given sufficient warning by Santander about the transfer. If she had wanted to retain the ongoing advisory service, she had been informed she needed to make contact for an adviser review as she was paying for a service she wasn't taking advantage of. And as there hadn't been any recent adviser reviews this left Santander in the position of not knowing whether the investments within Miss R's ISA were suitable for her. In providing an ongoing service Santander had a regulatory duty to ensure those investments were still right for Miss R bearing in mind her financial circumstances and objectives.

Overall, I don't think that Santander acted unreasonably in changing the service it offered to Miss R. I also don't think it did anything wrong or didn't sufficiently warn Miss R of the upcoming changes to her account.

Miss R's instructions to close her account

Miss R says she gave instruction by phone for her account to be closed. I've listened to the call recordings provided by Santander and have read the transcripts of those and other calls.

It's clear from those calls that Miss R wasn't happy with the transfer to the Investment Hub. She wanted to carry out her investment business face to face at her local branch where she wanted to be able to make appointments to do so. She wasn't online and only used a pay as you go mobile phone when she was at home. She didn't take it out with her.

Miss R called Santander on 26 January 2022 to ask about not transferring her account to the Investment Hub. She wanted to know whether she could move her investments away from Santander to another provider. She had received a letter to say the transfer would take place on 7 February and wasn't happy with the proposed transfer to the Investment Hub at what she thought was a cost of £4,000. Miss R wanted a straightforward facility so didn't think the Investment Hub would be of any use to her. Miss R asked what she needed to do to transfer to another provider but unfortunately, the phone lines to the investment team were busy and she was given the direct phone number of the investment team who she was told would be able to advise her.

Miss R had a further conversation with Santander on 7 February 2022 which was the day of the transfer to the Investment Hub. I can only assume that the transfer had been delayed from 2021 because of the pandemic. Miss R explained her grievances about the move to the Investment Hub. She was advised that Santander didn't offer in branch face to face meetings. Branch staff weren't investment staff, but Miss R could call to make an appointment. She was also advised she could do everything over the phone, but it was understandable if Miss R wanted to move to another provider.

Miss R was advised how to go about a transfer – if it was an ISA account, which it was – then Miss R she would have to contact a new provider and fill in a form for the transfer. It was for her to contact the new provider. She was also told that if the funds were moved to a current account the ISA status would be lost. Regarding the £4,000 costs Miss R had referred to she was informed that there was a service fee for the Investment Hub but no upfront fee, so it seemed likely the £4,000 Miss R spoke about didn't apply. At the time, Miss R's investments on the Investment Hub were the same as those held on the Premium Investments portfolio.

I have seen a transcript of the call Miss R had with Santander on 21 February 2023. The call is initiated from Miss R's branch to the investment team who advised that it could guide Miss R through the closure process, and it should take around five/ten minutes. Miss R declined this offer as she was under the impression that her Investment Hub account was closed further to a recent instruction, but it's equally made clear by Santander's representative that the account hadn't been closed. There is reference to a notification Miss R had received about a closure but that related to a particular fund Miss R held and not the account itself.

Miss R was further offered the opportunity for her to give instruction about the closure of her account, but Miss R referred again to her account already being closed after her instruction given in February. Miss R was advised her funds were still invested and a complaint was logged.

Upon reviewing the earlier calls, I can't hear of any instruction from Miss R that the Investment Hub account was to be closed. It was made clear that if Miss R wanted to retain the ISA, then she would need to contact a new provider and complete the necessary paperwork to enable that transfer. There's no mention that Miss R had done this. And in the

absence of that action, the ISA couldn't be transferred and remained within the Investment Hub.

Miss R recalls that she visited a branch of Santander to close her account in February as her own branch was closed. She was informed that as it wasn't her branch that she would be called back which I understand took place. And during that call Miss R has said she asked for her account to be closed, was told her this would happen and that she didn't need to do anything more.

We asked Santander for information about this call, but it told us it had provided all of its records of its communication with Miss R. And Santander told us it spoke with the branch Miss R referred to, but its records don't go back that far. This is unfortunate and I know that Miss R doesn't think Santander has provided us with a full account of what happened. But I don't have a reason to think that Santander hasn't provided us with everything it has in relation to this complaint. However, where information or evidence I have about a complaint is either missing or contradictory I have to base my decision on the information and evidence presented and on the balance of probabilities of what I think most likely happened.

During the above call, reference is made to the notification Miss R received about a closure but that referred to a particular fund – Pacific Basin excluding Japan Equities. I can see from Miss R's Investment Hub statement for the period 21 February 2022 to 16 May 2022 that Miss R held just over 1,100 units in the fund. The following statement for the period 16 May 2022 to 22 August 2022 shows that fund was no longer held and the capital of just over £10,500 had been returned to Miss R so clearly the fund had 'closed' during this time.

I accept it could have been the case that Miss R misunderstood the correspondence and thought that reference to the 'closure' was for the account as a whole rather than just one fund. But I've also thought about Miss R's testimony regarding her in branch visit and subsequent call back where she says she gave instruction about the closure of her account.

Clearly, I can't know what was said during that call, but I think its most likely there was a misunderstanding as a result as we know Miss R's account wasn't closed. While Miss R says she gave instruction for this to happen, taking all of the above into account I think it unlikely that was the outcome of the conversation. I say this partly because Miss R's account was an ISA – a 'tax wrapper' – that offered protection from capital gains and income tax.

And I don't think it's unreasonable to assume that Miss R would have wanted to retain that wrapper because of the benefits it offered – she held over £300,000 of assets – so removing the ISA status of the account would have impacted on Miss R's tax position where she had always held her funds. It would have been disadvantageous for Miss R.

And in order for Miss R to transfer her account away from Santander she would have had to find a new provider who was willing to accept her ISA account. And that new provider would need an instruction from Miss R in order to initiate the transfer with Santander. It wouldn't be for Santander to initiate. The instruction would be given by the customer by completing an ISA transfer from which they would give to their new platform provider who could then start that transfer process. And that transfer would either be in the form of cash via a sale of the assets, or in specie, where the assets would be transferred to the new provider. In either case it couldn't go ahead without that ISA transfer authority from the customer.

And even if I am wrong about that and Miss R was willing to give up the ISA status of her account, she would have still needed to give instruction for the assets to either be sold or transferred to another provider which would also need instruction from Miss R to that third party. If Miss R had wanted to sell the investments held, she would need to have provided Santander with bank details of where the sale proceeds would need to be sent.

Taking this into consideration, in my view, it seems likely that any conversation Miss R had with Santander gave rise to a misunderstanding – however that arose. I say this because I haven't seen any evidence of Miss R contacting a new provider or completing any ISA transfer application forms to another provider. I also haven't seen anything to suggest that Miss R asked for her assets to be sold and the resulting funds to be transferred either to an account with Santander or another party.

So, overall, I think it was unlikely that as a result of a conversation Miss R had with Santander that she was told her ISA account would be closed and Miss R wouldn't need to take any further action. She would have needed to take some action as outlined above.

It's understandable that Miss R may not agree with my conclusion as she clearly recalls giving an instruction for her account to be closed. But based on the information and evidence available to me – and my knowledge of how an ISA account is transferred or closed – I think it unlikely this was the outcome of the conversation Miss R recalls having.

Transfer to the Investment Hub account

All of Santander's customers who used the Premier Investments Service were transferred to the Investment Hub or could take advantage of the Model Portfolio Service if they wanted additional services such as adviser reviews. So, Miss R didn't have the option either to not agree with the transfer and for her account to remain as it was or to transfer back to the Premium Investments Service.

Once the ISA investments had been transferred to the Investment Hub the service was a non-advisory execution only service. That meant that Santander couldn't carry out any actions on the account unless instructed to do so by Miss R. As examples, it couldn't carry out any transactions or arrange transfer to a different provider unless it was given the necessary instruction by Miss R.

I appreciate this must have been frustrating for Miss R as she didn't have internet access so couldn't have viewed her account or give instruction online. But she could give instructions by phone or in writing, albeit without the benefit of an adviser review unless she chose the Model Portfolio Service. But Miss R had been given the option of making contact prior to the transfer for an adviser review – but not face to face – or transfer her account elsewhere if she felt the new services didn't suit her. But I'm satisfied she was given sufficient warning by Santander about the transfer.

Taking all of the above into account, and in the individual circumstances of this complaint I don't think that Santander has done anything wrong. I think Miss R was given sufficient notice of the transfer to the Investment Hub and was given options about what action she chose to take. And on the balance of probabilities, for the reasons given above, I think it was unlikely that Miss R was told that her account was going to be closed, and she didn't need to take any further action. I also think that Santander made clear to Miss R that it no longer offered in branch adviser reviews and that they would have to be carried out by phone.

In conclusion I don't uphold Miss R's complaint. No doubt she will be disappointed by this – it's clear she feels strongly about her complaint – but I hope I have been able to explain how and why I have reached the decision that I have.

If Miss R wants to close her account she will have to make contact with Santander in order to do so. As detailed in Santander's correspondence, if she wants to transfer her account to a new ISA provider, she will have to contact that new provider in order to complete an ISA

transfer form. No doubt Santander will be able to support Miss R with whatever decision she makes.

My final decision

For the reasons given, I don't uphold Miss R's complaint about Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 25 July 2024.

Catherine Langley
Ombudsman