

## **The complaint**

Mr T complains on behalf of his wife, Mrs T, that The Royal London Mutual Insurance Society Limited provided misleading information ahead of him transferring Mrs T's ISA to another provider. He argues his reliance on this information has caused Mrs T a financial loss.

## **What happened**

Mrs T held an investment in a with-profits fund, inside an ISA with Royal London. Mrs T's ISA offered investors the option of a guaranteed value that would be updated periodically. Mrs T subscribed to this feature. Mr T also held the same investment.

In early 2024, Mr T was looking to transfer his and Mrs T's ISAs away from Royal London. He looked through Mrs T's paperwork to get a better understanding of how the guaranteed value worked in practice. After reviewing these documents he was still uncertain as to how the guarantee worked, so he called Royal London to learn more.

Mr T spoke with Royal London on 5 January 2024. During this conversation he asked the firm to clarify how the ISA's guaranteed value worked. Royal London's call handler couldn't answer Mr T's question. They claimed they weren't trained on the ISA product Mr and Mrs T held. Instead, the call handler agreed to arrange for a member of Royal London's staff to call him back and discuss the matter. The call continued and Mr T raised the same query regarding Mrs T's ISA. The call handler again agreed to arrange a callback with a member of staff who was suitably trained. Towards the end of the call, Mr T asked questions about a different product which also featured a guarantee, held by Mrs T. Royal London's call handler gave an explanation as to how the guarantee worked for that other non-ISA product Mrs T held.

On 10 January 2024 Royal London attempted the callback that'd been promised to Mr and Mrs T. They spoke with Mrs T but she was unable to answer the security questions posed to her. Mr T asked the call handler what the purpose of the call was, as he couldn't remember why it'd been arranged in the first place. The call handler was unwilling to divulge the purpose of the call without successfully completing their security checks. Royal London's call handler recommended Mrs T should call in as they needed to speak to her. Mr and Mrs T ended the call by confirming they would not be doing so.

Mr T proceeded to arrange for his and Mrs T's ISAs to be transferred across to a new provider. On the conclusion of this transfer, he noticed the values of his and Mrs T's ISAs were less than he believed they should've been. He'd been expecting Royal London to transfer what he'd understood to be the guaranteed value of the ISAs. He complained on his wife's behalf that the information provided by the firm, both over the phone and in its literature, was highly misleading and asked to be reimbursed for the loss Mrs T had made.

Royal London rejected Mrs T's complaint. It explained her ISA's guaranteed value was essentially only guaranteed once every five years. So the value of any transfers, withdrawals or surrenders arranged at any other time would be subject to the performance of the underlying with-profits fund. As Mrs T's transfer was arranged outside of a window in which

she could benefit from a guaranteed value, the firm argued it'd done nothing wrong. It also broadly defended the accuracy of the information it'd given both over the phone and in its product literature. As Mrs T did not accept Royal London's response, she referred her complaint to our service.

On referral to our service, Royal London acknowledged there'd been failings in the way it handled the call on 10 January 2024. The firm said it'd taken too long to call the couple back, and that it could've been more helpful when Mrs T had struggled to answer its security questions. It offered Mrs T £100 to say sorry.

An investigator at our service looked into Mrs T's complaint. Taken as a whole, they weren't persuaded Royal London had treated Mrs T unfairly or misled her as to the terms of the ISA's guaranteed value. They argued the terms Mr T was quoting from the product literature in support of Mrs T's complaint were being taken out of context. They concluded that they would not fairly recommend more than the £100 in compensation Royal London had offered Mrs T. Mr T, on his wife's behalf, disagreed with our investigator's opinion, so the matter 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.

In my view, the crux of this complaint is Mr T's understanding of how the guaranteed value of Mrs T's ISA functioned, and what effect that would have on her money were she to transfer the ISA elsewhere. As I've understood it, it was Mr T's belief that every five years Mrs T's ISA would be given a new guaranteed value. A value that was fixed for the next five years, and was therefore the least that would be owed to her if she encashed her ISA within that five year window for any reason. In reality, Mrs T's ISA functions by offering investors a limited window once every five years, to surrender or partially withdraw from the investment at a guaranteed price. Withdrawals outside of this limited window are permitted, but crucially, the value received isn't guaranteed and is instead dependent on the performance of the underlying investment at that time.

When serving its customers, Royal London is required to consider their information needs, and to communicate with them in a way that's clear, fair, and not misleading. In this case I've considered whether it has done so in all of its dealings with Mr and Mrs T, and whether it fairly and reasonably bears responsibility for the understanding Mr T developed as to how the guaranteed value worked in practice.

I've begun by reviewing the ISA paperwork Mrs T has retained over the years, paying particularly close attention to the various quotes Mr T highlighted in support of this complaint. But ultimately, I'm not persuaded the documents are misleading as to the terms of the ISA's guaranteed value. Broadly, I'm persuaded that read as a whole, the document gives an accurate depiction of how the ISA's guaranteed value actually functions. Like our investigator, I take the view that the various quotes Mr T has relied upon in support of this complaint are being used out of context. And that when read as a whole, I cannot fairly or reasonably conclude that the product literature is unfair or misleading. I will accept however that the pages Mr T has referenced could be clearer with regard to the specific circumstances the couple found themselves in. So I can understand why, after he'd reviewed the documents himself, Mr T saw fit to follow up with Royal London to make sure he fully understood the guarantee.

I've listened to the call Mr T had with Royal London on 5 January 2024. It's regrettable that the call handler Mr T spoke to wasn't able to answer his questions about the guarantee

straight away. But in the circumstances, and mindful of the obvious risks of misadvising him, I'm satisfied the call handler did the right thing by arranging a callback with a member of staff who was trained to speak about the ISA's guarantee.

Mr T has said this call left him in no doubt that his understanding of how the ISA's guarantee functioned was correct. But I'm satisfied this was not as a result of any failing on Royal London's part. Having listened to the call several times, it's clear the call handler unambiguously declined to answer Mr T's questions about his and Mrs T's ISAs on the grounds that they weren't trained on the particulars of that product. This means that at the end of that call, Mr T was still without answers to the questions he'd had about the guarantee which seems to have been a significant part of his reason for calling in the first place.

Guarantees were discussed towards the end of this call. But this was in relation to a different investment product held by Mrs T and did not relate to the ISA products Mr and Mrs T held. The call handler confirmed that, unlike with the couple's ISAs, they were able to speak about this other product. So I'm not persuaded the call handler's advice on this product could reasonably be interpreted as applying generally. I'm not persuaded the call handler provided any information which was unclear or misleading during the discussion on 5 January 2024.

It appears that following this call, Mr T had assured himself he had sufficient information to proceed with Mrs T's ISA transfer. I say this because when Royal London attempted to follow up with the couple on 10 January 2024, Mr T couldn't recall the reason for needing to have the call in the first place. And in spite of Royal London's call handler saying they needed to speak with Mrs T, Mr T confirmed she would not be phoning them and that the decision to transfer their ISAs away had been made.

Royal London has expressed some regrets around the way this call was handled by its member of staff. It's admitted the call didn't take place as soon as it should have. And it's said more effort could have been made to assist Mrs T with passing its security checks. But thinking about the implications of this more broadly, it doesn't alter my view of the complaint as a whole.

As Mr T has told us, he left the initial call on 5 January 2024 in no doubt that his understanding of how Mrs T's ISA's guarantee worked was correct, and on the strength of this he'd made the decision to proceed with the transfers. It doesn't seem likely therefore that he'll have placed any significance on the follow up call, indeed he couldn't recall why it was necessary in the first place. As I'm satisfied the conclusions Mr T drew from the call on 5 January 2024 did not come as a result of any unclear or misleading information Royal London gave him, I cannot fairly or reasonably conclude Mrs T's subsequent loss came as a result of the firm treating her unfairly.

I have considered the offer of £100 Royal London made to Mrs T for the timing and content of the call on 10 January 2024. When awarding compensation for trouble and upset caused by a firm's mistakes, my basis for doing so is linked to the impact I perceive a firm's actions have had on the complainant. And in this case, I consider the impact of these errors on Mrs T to be quite minimal. Mr T handled a lot of the phone call and demonstrated that he'd already made the decision to transfer his and Mrs T's ISAs. His actions do not therefore persuade me the timing or content of this call had much impact on Mrs T, beyond a minor inconvenience. And as I've found no other errors on Royal London's part that I perceive will have impacted Mrs T, it follows that I do not require the firm to pay compensation in this case. Royal London may still pay the offer to Mrs T if it wishes to do so.

### **My final decision**

My final decision is that, for the reasons given above, I do not uphold Mrs T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 30 January 2025.

Marcus Moore  
**Ombudsman**