

The complaint

Mrs S's complaint against Santander UK Plc is about the service she received in relation to her investment accounts. She says investments in her ISA didn't match her agreed attitude to risk and that the annual reviews of her investments in 2021 and 2022 were unacceptable. She also complains that she wasn't allocated a replacement private banker despite continuing to pay fees.

What happened

Mrs S and her husband (Mr S) had invested with Santander since 2007. They held a joint general investment account ("GIA") and separate ISAs which they held individually. An automatic ISA wrap facility was set up so that funds were transferred each year from the GIA into the separate ISA accounts. As part of the ongoing service provided by Santander, Mr and Mrs S received annual reviews of their investments.

This decision is about the investments Mrs S holds with Santander. A separate complaint about Mr S's investments has already been considered by our service. Mrs S has said that her husband generally dealt with her investments on her behalf, and I can see that most of the communications with Santander were from Mr S. As this decision relates to Mrs S's investments, and for ease of reference, I will generally refer to her throughout this decision, but I acknowledge that it was often Mr S acting on her behalf.

In response to Mrs S's complaint, Santander said:

- When Mrs S's ISA was set up in 2007 all the funds in the joint GIA were invested in the Growth with Stability portfolio. There was a top up to the GIA in 2013 which was invested in the Stability portfolio. When the Growth with Stability funds had been fully transferred to the ISAs, the automatic wrap facility started to use the Stability funds. That meant there was no change in risk level when funds were transferred to Mrs S's ISA.
- Mr and Mrs S received a 'light' review with their private banker (Mr M) in April 2022. After that they were in touch with another private banker (Ms F) between May and August 2022 when financial planning issues were discussed. In an email on 25 July 2022 Ms F offered Mr and Mrs S an additional review in August 2022 or suggested it could wait until their permanent new private banker (Ms W) was in place in September 2022.

Mrs S remained unhappy and brought her complaint to our service. She said:

- Whenever her funds were ISA wrapped they were allocated to a higher risk rating – "stability". She did not consent to a change in risk rating at any time.
- The 2021 review (conducted by Mr M) took many hours over the phone, but no changes were recommended.

- The review conducted by Mr M in April 2022 was very “light” and he simply assumed no change would be necessary. When she queried the outcome in May 2022, she was told that Mr M had left Santander and that another private banker (Ms F) was available for emergency contact only. There was no official communication from Santander in relation to the change of private banker.
- She accepts that Ms F offered to carry out a further review, but she preferred to wait for a new private banker to be allocated. Her main concern was that no actual review had been carried out by Mr M. She did not envisage it would be April 2023 before she heard from her new private banker (Ms W). She had much less contact with Ms F during that period than would have been the case with normal arrangements. She was in effect without access to private banking between May 2022 and March/April 2023.
- A review was conducted by Ms W in May/June 2023. In September 2023 Mr and Mrs S negotiated a basic support service from Santander, without private banker support.

Our investigator thought Santander had acted fairly and didn’t uphold Mrs S’s complaint. He said he didn’t think the GIA to ISA transfers caused any change in risk level. He thought that the ongoing advice services were either delivered or in the case of the 2022 review, delivered, and when the standard was questioned, offered again.

Mrs S disagreed and asked for an ombudsman to make a final decision. She said she couldn’t accept that Santander had delivered customer service to an acceptable standard. She added:

- It is valid to ask why an agreed risk level was set with a clear definition but then altered if there was no difference in the actual investment. The changes made no sense and the response from Santander was impossible to comprehend and therefore accept. Santander also failed to explain the altered risk ratings, leaving it to her to detect.
- The 2021 review was incomprehensible, incorrect and took too long. The 2022 review was worthless and unacceptable given the substantial fees charged.
- Santander should be accountable for the way Mr M suddenly left and for the significant delay in Ms W contacting her. The inference was that Ms F would fit Mr and Mrs S in when she could, and important issues had to wait for the new private banker to be in place.

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.

The purpose of my decision isn’t to address every single point raised by the parties involved. I have instead concentrated my findings on what I consider to be the key factors in reaching a fair and reasonable outcome to this complaint.

Risk levels

Mrs S complained that when her funds were transferred from the GIA account into her ISA, they were allocated to a higher risk rating. Based on the evidence I've seen I don't think that was the case.

It seems that when Mr and Mrs S started investing with Santander the funds in their joint GIA account were invested in the Growth with Stability model portfolio. When they added funds to the GIA in 2013, they were invested in the Stability model portfolio. Funds were transferred to Mr and Mrs S's ISAs each year starting with those invested in the Growth with Stability portfolio and then those from the Stability portfolio. When funds were ISA wrapped, they were invested in the same model portfolio as when they were in the GIA; I've seen no evidence that they were allocated to a higher risk rating.

The Growth with Stability portfolio was categorised as medium risk on Santander's six levels of risk. The Stability portfolio was categorised as lower medium risk, likely reflecting the fact that in comparison with the Growth with Stability portfolio, a higher proportion of assets was invested in corporate bonds and a lower proportion in equities. I've not seen a copy of the advice given to Mr and Mrs S at the time they invested funds into their GIA, but based on the evidence available I'm satisfied that the portfolios were broadly in line with Mrs S's attitude to risk.

As I've already noted, when funds were transferred to Mrs S's ISA there were invested in the same portfolio as they had been in the GIA. And as more of the funds invested in the slightly lower risk Stability portfolio were transferred to the ISA, the overall risk level of the ISA would have reduced slightly. I'm therefore satisfied that Santander has done nothing wrong on this point.

Annual reviews

As part of Santander's model portfolio service Mrs S was paying an ongoing adviser service fee. Santander's description of what that fee was for said it covered "ongoing adviser services provided by your Santander adviser at least annually." That would include checking the suitability of Mrs S's portfolio, recommending changes to the model portfolio and arranging for changes to be made.

Mrs S has complained about the 2021 and 2022 reviews of her investments and a lack of access to an adviser after Mr M left Santander in 2022.

Looking first at the 2021 review, I've seen a copy of the fact find document completed by Mr M for both Mr and Mrs S in June 2021. It appears that it was completed following various discussions with Mr and Mrs S in October 2020, March 2021 and June 2021. Mr M sent Mr and Mrs S a suitability report in June 2021 summarising their conversations and his recommendations.

I'm satisfied from this evidence that Mrs S received the ongoing advice service that she was paying for. The discussions with Mr M and his subsequent suitability report covered the areas that I would expect, including Mrs S's circumstances, investment objectives, existing investments and attitude to risk. It's clear that Mr M discussed his recommendations with Mr and Mrs S and when he sent them his suitability report he offered to answer any further questions they had.

While I appreciate that Mrs S feels the review process took too long, I don't think I can fairly say that Santander failed to provide the annual review that Mrs S was entitled to. Neither have I seen evidence that the advice given to Mrs S was unsuitable or that she wanted to make changes to her investments. I won't therefore be upholding Mrs S's complaint on this point.

Santander have accepted that the annual review conducted by Mr S in April 2022 was a 'light review'. Mr M completed a fact find document that was similar to the 2021 version, and I note that the value of some of Mr and Mrs S's investments hadn't been updated from the previous year. I think that's most likely because they were investments held with other providers and Mr M had not requested an updated valuation.

On 22 April 2022 Mr M wrote to Mr and Mrs S to give the outcome of his review following a discussion with them the same day. Rather than providing a detailed suitability report as he had in 2021, Mr M sent just a two page letter. It said the following had been discussed:

- a summary of the model portfolio service
- the fees and charges for the service and the associated benefits
- Mr and Mrs S's previously agreed attitude to risk and the time horizons applicable to their holdings
- their investment objectives and performance against those objectives.

Mr M said that as Mrs S had confirmed that her personal circumstances hadn't changed, he was satisfied that no changes were required to her model portfolio holdings. He said he would call Mr and Mrs S in 12 months to arrange their next review meeting.

I can't be sure what was said in Mr M's discussion with Mr and Mrs S on 22 April 2022. From Mr M's letter however I think it is most likely that they covered the key points that I would expect in an annual review, as summarised above. While I accept that the review was less detailed than Mrs S would have liked, on balance I don't think I can fairly say that Santander acted unreasonably or failed to provide an annual review.

I note that Mrs S thinks Mr M simply assumed that no changes were required to her holdings, but I've not seen enough evidence to persuade me that was the case. I don't think it was unreasonable for him to recommend no changes were required given there was no change in Mrs S's circumstances or her attitude to risk.

Mr S contacted Mr M on 3 May 2022 and received an auto reply telling him that Mr M had left Santander and that he could contact Ms F. Following that, there was ongoing correspondence between Mr S and Ms F. On 13 July 2022 Ms F said that Ms W would be Mr and Mrs S's new private banker and that she would be starting in September 2022.

Mr and Mrs S raised a concern about not having a dedicated private banker for which they were paying a fee. In reply, Ms F confirmed that an annual review had taken place with Mr M earlier in the year and he had concluded that their investments were suitable. She also offered to arrange an additional review. She said she could conduct a review herself in mid-August or Mr and Mrs S could wait for Ms W to do it towards the end of September.

I can understand that it was frustrating for Mr and Mrs S to find out that Mr M had left Santander without contacting them (although I note that Mr S had a missed message from Mr M which might have been about his departure), particularly so soon after their annual review. They were also told that a new private banker would not be in place immediately.

Mr and Mrs S were however told they could contact Ms F and I can see that Ms F generally replied promptly to their queries. She also offered to conduct a further review with them, which would have provided an opportunity to address any concerns they had with the review conducted by Mr M if they had chosen to take up that offer.

Mrs S has said it was inferred that Ms F was for emergency contact only and that important issues had to wait for their new private banker to be in place. But I've not seen enough evidence to suggest that was the case. As I've noted Ms F replied promptly to emails and offered to conduct an additional review with Mr and Mrs S.

On balance, I don't think I can fairly say that Santander failed to provide the service they should have. Mrs S received annual reviews of her investments and had ongoing access to an adviser, including in the period after Mr M left. I note that Mrs S also received an annual review when it was due in 2023 and that Mr and Mrs S later opted for a more basic support package from Santander.

I appreciate that Mrs S feels strongly about what happened and realise this will be a disappointing decision for her, but I won't be upholding this complaint.

My final decision

For the reasons given, I don't uphold Mrs S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 21 April 2025.

Matthew Young
Ombudsman