

The complaint

The estate of the late Mrs B complains that St James's Place UK plc ("SJP"):

- Caused delays in paying the estate the value of Mrs B's cash ISA and hasn't paid compensation for loss of interest.
- Used wrong information which meant it couldn't successfully complete required identification checks and staff were rude and unhelpful.

The complaint is brought by one of the executors, on behalf of both executors. I'll refer to him as "Mr W".

What happened

On 23 July 2023, the executors sent instructions to SJP to liquidate Mrs B's ISA and pay the proceeds into a bank account. But the investments weren't sold until 8 December. I'm not going to detail the reasons for the delay, because SJP has accepted responsibility. The reason Mr W referred the complaint to this service is because he doesn't think the estate has been fairly compensated.

In its response to the complaint, SJP apologised and offered to pay Mr W £750 for the inconvenience and upset caused.

After the complaint had been referred to us, SJP offered to increase the compensation for distress and inconvenience by a further £350. And it offered to pay an additional sum of £352.35 which it said represented net interest during the period of the delay.

Our investigator concluded that SJP's offer was fair.

Mr W said he didn't understand how SJP had calculated the interest as it didn't equal the amount he would have expected. We asked SJP for an explanation but, when we didn't receive a reply, the complaint was passed to me to decide.

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.

SJP has accepted it caused a delay in liquidating the late Mrs B's ISA and crediting her estate with the proceeds. I find that it's fair that SJP compensates the estate for those delays. The estate should receive the value of the investments on the day they should have been sold if there wasn't any delay. And it should receive interest on the amount it was due, to compensate it for the time it was without the money.

Since our investigator issued their view of the complaint, SJP provided an explanation for how it calculated the interest. It also said the amount due is slightly more than it originally calculated - £367.44.

Having considered SJP's explanation, I find the amount it's offered is fair, subject to one small adjustment. I'll explain why.

SJP received the sale instructions from the executors on 25 July 2023. It says, if it hadn't made mistakes, it could've sold the ISA investments the following working day, the 26 July. If the investments had been sold on this date, they would have realised £46,601.23.

The estate (and therefore the beneficiaries) was without this money for more than four months and should receive interest to cover this period. SJP has used the sale dates instead of the date the estate received the money, but I'm satisfied the dates SJP has used produces a fair outcome overall.

SJP calculated interest at 8% simple from 26 July (the date the investments should have been sold) to 8 December (the date the investments were actually sold). I think the calculation should be inclusive of both of these dates, which equates to 136 days. SJP has calculated interest for 135 days, so I find it needs to add an additional day's interest to its calculation. It's fair that the interest is calculated on the value the estate *should* have received - £46,601.23. I accept SJP says it is obliged to deduct interest from this amount at 20%.

Had the investments been sold when it should have been - on 26 July, the estate would have received £46,601.23. When the investments were actually sold on 8 December, the value had risen, and the estate received £47,336.14. So it received £734.91 more because of the delay. It's not fair that the estate should benefit from the higher value *and* the interest, so I think it's fair that SJP has deducted this sum from the interest payment. I find this fairly puts the estate back in the position it would have been in, had SJP not caused a delay.

SJP has recognised the delay caused Mr W distress and inconvenience and has offered to pay him £1,100, which Mr W has said he wants to accept. Under the rules by which this service must operate, I can only award compensation for distress and inconvenience to "eligible complainants". In this case, the eligible complainant is the late Mrs B, rather than Mr W. That means, I can't award compensation to Mr W for the distress and inconvenience he's suffered. Mr W will need to contact SJP direct to accept its offer of £1,100.

Putting things right

St James's Place UK plc should:

1. Calculate interest at 8% simple per annum on £46,601.23 for the period 26 July to 8 December 2023 inclusive. *
2. Deduct the additional amount the estate received due to the delay in selling the ISA investments.
3. Pay the balance to the estate of the late Mrs B.

* HM Revenue & Customs requires St James's Place UK plc to take off tax from this interest. St James's Place UK plc must give the estate of the late Mrs B a certificate showing how much tax it's taken off if Mr W asks for one.

My final decision

My final decision is that St James's Place UK plc should pay compensation as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs B to accept or reject my decision before 9 December 2024.

Elizabeth Dawes
Ombudsman