

The complaint

Mr F complains about the way in which FIL Investment Services (UK) Limited issued statements on his Flexible Mortgage Individual Savings Account (FMISA).

What happened

When Mr F saw the value of his FMISA fall he complained to FIL saying they did not put any warnings about this on his statements.

FIL told Mr F that they didn't provide warnings on their statements.

Remaining unhappy Mr F brought his complaint to our service where one of our Investigators considered the issues.

They were satisfied that the statements were sent and that they provided details about the performance and current values of the account. Our Investigator didn't think that placing warnings on the statements was something FIL was expected to do, though they acknowledged that under a previous administrator warnings did appear. Mr F didn't agree.

Mr F said there had been a breach of duty in care as warnings about performance were not provided on the account statements. And this lack of warnings had caused him a financial loss.

Because an agreement couldn't be reached the matter has come 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.

Mr F has provided a lot of information about the complaint and it's clear how strongly he feels about what happened. I want to assure Mr F that I've read and considered everything provided even if I don't mention it all in detail. I've summarised some of what happened which reflects the informal nature of our service.

There are three different businesses involved in the management and administration of the account. This is because the product is split into two parts – the ISA and the life insurance cover. So I can understand why it may not always have been clear to Mr F which business was responsible for which activities. And I know there were some difficulties at times with this.

This decision only considers the role of FIL and that role was limited to administration activities such as providing statements and answering questions about the investment.

Administration for the account was transferred to FIL in November 2021 and it is since this time that Mr F says there have been no warnings on the statements about fund performance. This change of administration for the account is the type of commercial decision that businesses are allowed to make

When the migration took place FIL wrote to all account holders saying what was happening. This information explained that the account could also be viewed online to check the value. I haven't seen that FIL said they would provide any warnings on the statements.

I know Mr F would have liked FIL to provide warnings about performance on the statements, but I haven't seen any evidence that it said it would do so. And whilst such a warning might have proved useful, I don't think FIL was obligated to send statements in that way.

The statements were issued quarterly and showed all activity on the account including the valuation at that time. And they were sent to the address which FIL had on file at the time. Information about the account was also available to view online should Mr F have chosen to do so. If when the first statement arrived from FIL the information provided was insufficient for the needs of Mr F then it was possible to make contact and obtain what he required.

I think the statements provide sufficient information for Mr F to be made aware of the investment performance of the account. FIL don't provide any financial advice so if there were any concerns or questions about the value of the account then Mr F would've needed to discuss this with his financial advisor.

Mr F has made parallels between his account and a mortgage endowment. However whilst the end goal for Mr F might be the same – the funds are to be used to pay off a mortgage at the end of the term - a FMISA is not an endowment account so the same regulations about administration don't apply.

I note that the business responsible for administering the life cover part of the policy also issued statements on this type of account. These statements cover both the life and the investment part of the account. The procedure of that business was to include information about performance including possible warnings.

Having carefully considered everything that happened I'm satisfied FIL acted fairly and reasonably when administering the statements on the account so won't be asking them to take any further action.

My final decision

For the reasons I've explained above, my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 6 December 2024.

Warren Wilson

Ombudsman