

The complaint

Mr M and Mrs M2, as executors of Ms M's estate, complain about delays and the incorrect division of Ms M's assets by St. James's Place Wealth Management Plc ("SJP").

What happened

Ms M held an ISA and a unit trust account which had been taken out via an SJP adviser, and SJP provided an ongoing advisory service to her. She sadly passed away in 2021, and her children, Mr M and Mrs M2, were appointed as her executors. They provided SJP with the grant of probate on 24 March 2022 and the relevant forms and evidence were completed and provided to SJP by the executors on 28 April. Ms M's intention was for the investments to be split equally between Mr M and Mrs M2.

Mr M was mistakenly asked for further documents, which he'd previously provided as he was himself a customer of SJP as he had a pension with them. After 28 April, on review of the forms by SJP's administration centre, it was discovered there was some information missing, which was requested on 9 May from the adviser and provided on 11 May. SJP had told Mr M and Mrs M2 on 5 and 11 May that the instructions had already been followed and they should expect everything to be complete in the next few days – however this was incorrect.

The executors' instructions were followed between 24 and 27 May 2022. They had asked that half of the investments be surrendered with the proceeds paid out as cash to Mrs M2 and the other half to be transferred to Mr M's SJP account, without being surrendered. When this was completed, £136,446.04 was paid out as cash, and the value of the investments transferred to Mr M was showing in his account as £135,299. Mr M and Mrs M2 made a complaint about the delays experienced after they provided the grant of probate, and the difference in the values of the two halves of the investment.

SJP made an offer to settle the complaint – they agreed they'd caused a delay of around two weeks and found that on 12 May half of Ms M's investments would have been worth £134,941.50. They offered simple interest on that amount of 8% per annum, from 13 May to 31 May (the date when the half that was surrendered was received by Mrs M2) to each of Mr M and Mrs M2. This totalled £532.37 each, from which they deducted tax at 20%, leaving £425.90 to pay. They made identical offers to both Mr M and Mrs M2, and offered £250 each in compensation for the inconvenience.

SJP later explained that the reasons for the disparity in value of each half was because the transactions were carried out on different dates. Neither executor accepted their respective offers, as they weren't satisfied with the reasons given for the disparity between the amounts received, so they brought the complaint to our service.

An investigator at our service looked into the complaint and didn't uphold it – he found that the reasons given by SJP were reasonable and the offer they'd made was fair. As the executors remained unhappy, the complaint was passed to me for a decision. I requested further evidence from SJP regarding the way in which the instructions were processed that caused the difference in values.

SJP then explained that the previous answer given was incorrect. Mr M and Mrs M2 were each given half the number of units Ms M had held, but the difference in values was caused by the fact those given to Mr M were not surrendered. The units Ms M had held in her ISA couldn't be moved directly into a different product as they were ISA-specific units. They first needed to be transferred into unit trust units before going to Mr M.

We provided this information to Mr M along with the underlying calculations showing that the units had correctly been split in half. We asked him to clarify how he'd like to resolve the complaint, and whether he'd like me to consider a further amount of compensation for the incorrect information given by SJP. Mr M said he felt the £250 they offered was insulting, given the time and aggravation spent dealing with the claim. Having lost confidence in SJP, he stopped making contributions to his SJP pension and he would like to be able to transfer all the funds he has invested with SJP to a new provider, without incurring any early withdrawal charges that apply.

I issued a provisional decision in this case, in which I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Both parties agree that SJP caused a delay of around two weeks during May 2022, and that SJP caused the executors inconvenience during that time, particularly around the information provided. There doesn't seem to be any dispute that the information Mr M and Mrs M2 were initially given about the disparity was incorrect. For completeness, I agree – SJP ought to have given clear information throughout, and in not doing so have caused delays and inconvenience. So, the focus of my decision is on how to put things right.

Having carefully considered the offers made to Mr M and Mrs M2, I've reached the conclusion that they leave Mr M and Mrs M2 in a fair position, taking into account the total of the inconvenience caused. Primarily this is because their offer regarding paying interest for the delays that took place, is more substantial than I would award. I appreciate this will be disappointing to the executors, and particularly Mr M who has been taking a lead on the complaint throughout, so I've set out in detail my reasoning for this.

When a business causes delays, we generally look first at whether those delays have caused any financial loss and I've considered each half of the investment. On the half that was surrendered, the value of the units in Ms M's investments grew over the period of the delay – on 12 May 2022 that half was valued at £134,941.50 and when it was surrendered it was worth over £136,000. So, more was received than would have been, had the delay not occurred. Even if adding the 8% interest offered to the value on 12 May, less would have been received on this half, than was received due to the delay. In other words, no financial loss was caused by SJP's delay. It follows that SJP's offer in relation to that half of Ms M's investments, ought to be viewed as compensation for the inconvenience caused, rather than a payment for any financial loss.

On the half of the investments transferred, I wouldn't look at the value of the units to consider financial loss, as Mr M wasn't intending to surrender them. Rather I've focused on the number of units, to ensure that the same were held regardless of the delay. For instance, I've considered whether any were deducted for charges during the delay period. Having seen the valuation of 28 April 2022, I'm satisfied the number of units held had not changed between that valuation and when SJP moved the units. It follows that I'm satisfied there's no loss to account for on that half of the investment.

Despite the fact Mr M wasn't intending to surrender any of the units after they had been transferred, SJP offered interest at 8% for the period of the delay. Our service's approach to

the interest we award at a rate of 8% is that it's designed to be compensatory, to account for the fact the complainant didn't have access to the funds – so was deprived of using the money as they wished.

Mr M was not actually deprived of using the money as he wished as he was planning to simply keep it invested for the longer term. On that basis, I consider that SJP's offer of interest in relation to this half, should also be considered as compensation for the inconvenience caused. This means that in total, SJP has offered the executors a total of £1,351.80 (after tax is deducted from interest) for the inconvenience caused.

I appreciate that Mr M has become dissatisfied with the service offered by SJP throughout his experience of being an executor for Ms M's estate and wishes to be able to move his own investments away without penalty, as a result. When considering how to compensate complainants one of the principles I must keep in mind is the proportionality of redress compared to the impact of the errors made.

Mr M has every right to decide he no longer wants SJP to provide him with advice in his personal capacity. If I directed SJP to waive the early withdrawal fees that apply to Mr M's pension I'd essentially be increasing the compensation by the amount of those fees. Taking into account the overall timeline of delays caused by SJP of two weeks and the concern caused to Mr M and Mrs M2 by giving the impression that Ms M's estate had been divided incorrectly, I've not been persuaded to increase the award. Though I accept SJP ought to have provided a better service during the process, and ought to have given clear explanations, I am satisfied that the compensation they've offered is fair and reasonable."

Replies to my provisional decision

SJP confirmed they had nothing further to add and they agree with the outcome.

Mr M and Mrs M2 said they weren't happy with the outcome. They feel they had already *"made all the points that we wanted to put forward but unlike SJPWM, we have not altered our position throughout.*

We find it astonishing and worrying that a financial institution such as SJPWM can (a) make so many errors, (b) provide such an appalling service, (c) treat a customer's complaint with such disregard and disdain, (d) alter their position and their defence and (e) even try to pass on the blame to another part of their organisation.

However, it appears that those standards are acceptable in the world of financial services... Whilst they continue to be let off so lightly by organisations such as the Ombudsman Service then there will be no reason for them to improve their service or reputation."

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.

Having done so, I remain satisfied that the outcome I reached in my provisional decision is fair, for the reasons set out in that decision. I confirm my provisional decision as set out above forms part of my final decision, and I make those findings final.

For clarity – I do agree that SJP made errors and didn't treat Mr M and Mrs M2 fairly or reasonably. I explained in my provisional findings why the amount offered by SJP should be considered as compensation for the inconvenience caused, rather than financial loss. Though the length of the delay of two weeks to act on instructions was short, the length of

time SJP left Mr M and Mrs M2 without a correct explanation for the different values they received was unacceptable from any reasonable person's perspective. Incorrect information shouldn't have been given in the first place – and it should have been identified that the reasons given were wrong by SJP when they reviewed the complaint when they were told it had been brought to our service in January 2023.

I find that the amount offered by SJP, of £1,351.80, fair and reasonable for the poor level of service provided and the incorrect explanations given. While I appreciate Mr M and Mrs M2 are disappointed that it isn't more, their comments have not persuaded me to change my decision.

It's not my role to fine or punish SJP for errors it has caused, as our service is not SJP's regulator. Rather, it's my role to reach a decision on the facts and circumstances of an individual complaint – and make a fair award to put right any errors I find. Mr M and Mrs M2 may find our website helpful when considering the amount of compensation SJP has agreed to pay here, as it contains a number of examples of the amounts we might award in different circumstances.

My final decision

St. James's Place Wealth Management Plc has already made an offer to pay £1,351.80 to settle the complaint and I think this offer is fair in all the circumstances. My final decision is that St. James's Place Wealth Management Plc should pay Mr M and Mrs M2, on behalf of Ms M's estate, £1,351.80.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M2 on behalf of the estate of Ms M to accept or reject my decision before 20 September 2024.

Katie Haywood
Ombudsman