

## **The complaint**

Mrs D complains about the time taken by abrdn Fund Managers Limited (*'abrdn'*) to transfer her stocks and shares ISA.

## **What happened**

As the background to the complaint is well-known to both parties, I have only included a summary of it here.

Mrs D is represented by her daughter, Miss D in bringing her complaint. Miss D also assists Mrs D with her financial affairs.

On 14 October 2023, Miss D contacted abrdn to ask it to transfer Mrs D's stocks and shares ISA to a different business.

On 17 October 2023, abrdn wrote to Mrs D to explain it could not read page three of her completed form. A further form was supplied by Mrs D on 27 October 2023, and abrdn sold down the investment holdings on the day of receipt.

Mrs D attempted to speak with abrdn about the transfer on 22 November 2023 and again on 6 December 2023, but she could not progress through its caller verification system.

On 7 December 2023, Miss D called abrdn to enquire as to the progress of the transfer. Miss D was told during this call that the transfer would be completed within five working days – but this did not happen. Furthermore, despite Miss D explaining that she had lasting power of attorney (*'LPA'*) for Mrs D, abrdn didn't ask for confirmation – though it did require that documentation.

Alongside Mrs D, Miss D called abrdn again on 5 January 2024, and the call handler explained that abrdn should have asked Miss D for confirmation of her LPA. It told Miss D it required an original copy of the LPA.

On 19 January 2024, abrdn received LPA evidence from Mr D and Miss D as well as Miss D's brother – all of whom held LPAs for Mrs D. However, abrdn said it didn't receive verified documentation.

Mr D and Miss D complained on Mrs D's behalf in a call to abrdn on 2 February 2024. They explained that the promise of five working days to complete the transfer had repeatedly failed.

In February 2024, abrdn upheld the complaint. It said it still needed to be provided certified documentation from Miss D, her brother, and/or Mr D in order to liaise with them regarding Mrs D's ISA. It did, however, apologise that it didn't ask for the LPA documentation in the first telephone call of December 2023 and that it didn't make the position regarding certification clear sooner in the January 2024 call. For this, it sent Mrs D a cheque for £150.

In March 2024, Miss D sent abrdrn further certification documentation. However, on 13 May 2024, abrdrn rejected the documentation. It explained that the person who had undertaken the certification was not one of the appropriate parties set out on the information it had already supplied to Miss D. Miss D's brother had since supplied certified documentation, but verification had not been completed for Miss D or Mr D.

Miss D brought Mrs D's complaint to this service. She explained that abrdrn had caused them additional months of unnecessary stress and telephone calls to resolve the transfer – which still hadn't taken place.

After supplying file information, abrdrn explained it still hadn't received acceptable verification documentation for either Mr D or Miss D. Without evidence for all three attorneys, its third party security process was not passed and therefore it still had not completed the transfer.

One of our investigators reviewed the complaint and believed it should succeed. He said abrdrn had agreed that some further delays had occurred – and he concluded that these amounted to 82 days overall. He felt interest should be added to the ISA for the 82 days' delay. He also believed abrdrn should pay Mrs D an additional £150 to account for the impact of the delays and it should otherwise work with Mrs D and her family to conclude the matter.

Miss D said she and Mrs D accepted the investigator's findings. Miss D also explained she had since sent off the certified documentation yet again to abrdrn. However, abrdrn disagreed. It said it was not prepared to bring the payment for upset up to £300 overall, because it didn't think that it was responsible for the root cause of the delay. It said that verification issues with Miss D had caused delays, but it had a duty to correctly verify access to the account – and for that, it still required correctly certified documentation.

The complaint has now been passed to me for review.

### **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.

I'd like to thank the parties for their considerable patience whilst this matter has awaited referral to an ombudsman.

I won't be making findings on every submission made or undertake any forensic analysis of the complaint history. That is because this service's role is to investigate disputes and resolve complaints informally, including taking into account relevant laws, regulations, and industry guidance, where necessary. My remit is to decide what I deem to be a fair and reasonable outcome based on everything I've seen.

So, I've set out the background to this complaint in less detail than the parties and I've done so using my own words. And, in reaching my conclusions, I've focused solely on what I consider are the key issues in the complaint. Our rules allow me to take this approach; it simply reflects the nature of our service as a free alternative to the courts, and no discourtesy is intended by it. If there's something I haven't mentioned, it isn't because I've ignored it. It's since I don't need to comment on each individual argument to be able to reach what I consider is the right outcome in the circumstances.

It's also important that I make the parameters of this decision clear. I will only be considering the evidence which was available to abrdrn up to the point the complaint was referred to this service in May 2024. That did not prevent either Mrs D or Miss D on her behalf from bringing any further complaint about matters after this date.

I note that because Miss D has told us that she made a further, separate complaint to abrdn which resulted in a new final response letter being issued in January 2025. However, that complaint is distinct from this one and my decision here concerns the complaint referred to this service only.

Whilst Miss D is entitled to form her own view on the reasonableness of abrdn's administration of her mother's ISA (including its verification processes for transfers), I must also do the same. And from an objective standpoint, I do not consider that the certification process of itself was unreasonable - though I do note it led to some delays at the outset, and I'll address these later in my decision.

It is a decision for abrdn as to how it undertakes compliance with relevant legislation, such as customer identification rules. And it has explained to Miss D, her brother and Mr D how specific Money Laundering Regulations required it to establish the identity of attorneys acting for ISA customers in these particular circumstances.

That the process of providing documentation is involved does not mean the process ought to be disapplied; abrdn is reasonably entitled to undertake appropriate identity verification steps, and I have seen no evidence that it applied these inconsistently.

However, the crux of the complaint relates to delays. And I agree with our investigator that the poor handling of the complaint – the aspect of the matter which abrdn upheld – has led to an unfair overall delay, which could otherwise have been avoided. And some of this related to failure to explain to Miss D and Mr D what would be expected of them (and Miss D's brother) as attorneys, if they wished to act for Mrs D by facilitating the ISA transfer.

On general grounds, I'd expect to see that a business moves an ISA transfer along as quickly as is practicable in the circumstances. Each stage of a transfer may necessitate a different amount of human intervention and effort. Normally, in order to decide how long a transfer ought to have taken, I'd take into account a business's own service level agreements and any wider standards. Furthermore, industry guidance requires transfers of this type to be completed within 30 calendar days.

As our investigator already identified, abrdn caused a series of three delays; these occurred from December 2023 to January 2024, in February 2024 and from March 2024 to May 2024. These were for the reasons identified by abrdn in its final response letter, along with the failure to clarify the verification process in March 2024 – which led Miss D to believe she and Mr D had supplied everything that was required of them. These issues totalled some 82 calendar days where the transfer was delayed. I agree with our investigator that loss of interest on the holdings should be paid to Mrs D to account for this overall delay.

Though I am pleased to note that abrdn rightly paid some compensation to Mrs D for the two delays, by the time the complaint was referred to this service, a further – longer – delay had occurred again through a failure to properly explain the position regarding certification to Mrs D (via Miss D and Mr D). I agree that additional compensation should be awarded for the impact of that delay.

What this service does is consider if a business has treated its customer(s) unfairly because of actions or inactions. And if it has done so, we then go on to consider what ought to be done to put the mistake(s) right. As I outlined above, though I feel abrdn hadn't unfairly exercised its need to undergo certification with the attorneys on Mrs D's behalf, I do believe it failed to outline the requirements of that process to Mrs D and her family representatives.

Accordingly, alongside adding interest to the funds for the period of the delay, this service

will also consider the emotional or practical impact of any errors on a complainant. In doing so, we do not fine or punish businesses; that regulatory role falls to the Financial Conduct Authority. However, I cannot make any award to Miss D or Mr D as representatives in their position as LPAs for Mrs D – as they are not complainants under the rules applying to our service.

It may be helpful for Mrs D and her family to review to the guidance available on our website around the amounts and types of awards made in instances of upset, trouble, inconvenience, and distress caused by businesses in the complaints we see at this service.

Considering the impact of abrnn's continued mistakes, I agree that a slightly higher award is appropriate here. I am also mindful of Mrs D's particular circumstances. She wished to transfer crucial savings to cash, and she is aged in her 80's and requires help from her family.

In my view, an award exceeding the £150 paid by abrnn already is fair where the impact of its series of mistakes has caused Mrs D considerable distress and worry as well as a notable disruption requiring a lot of extra effort on the family's part – with the transfer remaining unresolved at the time the complaint was brought to this service. I therefore agree a further £150 should be paid to Mrs D to account for the additional delay from 26 March to 13 May 2024.

### **Putting things right**

I direct abrnn to pay a further £150 to Mrs D, to reflect the concern and trouble she has been caused for a prolonged period, following abrnn's failure to correctly assist her with the ISA transfer to the transferee business. That comprised three principal errors, two of which abrnn has rightly accepted in its final response letter and one which occurred thereafter but before the complaint was referred to this service; this has had a sizeable impact in Mrs D's particular circumstances.

I also direct abrnn to calculate the amount of interest that the ISA holdings would have earned for the period of 82 days, using the interest rate offered by the cash ISA transferee. Though I appreciate the transfer had yet to take place, the holdings were sold down at Mrs D's instruction and placed in a non-interest bearing account in October 2023. Since abrnn will have added 82 days to the eventual transfer process, it should account for this by making payment equivalent to those lost days of interest to Mrs D's ISA with the transferee. It may otherwise pay this directly to Mrs D if payment into the cash ISA account is not possible.

These sums should be paid to Mrs D by abrnn within 28 days of receiving notice of Mrs D's acceptance of my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at a rate of 8% simple per annum.

### **My final decision**

For the reasons explained, I uphold this complaint. I direct abrnn Fund Managers Limited to pay the compensation I have set out above to Mrs D. I make no other award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 24 November 2025.

Jo Storey  
**Ombudsman**

