DRN-4997611

The complaint

On 4 July 2023 Mr B instructed an in-specie transfer of his Personal Pension ('PP') with Standard Life to a Self-Invested Personal Pension with Vanguard Asset Management Ltd ('Vanguard') – the 'pension switch'. At the time, the PP's portfolio held units in the SL Vanguard UK Long Duration Gilt Index Fund (the 'Gilt fund'), so this holding – which was a high value holding – was the asset to be moved in-specie. The pension switch instruction was issued to Vanguard.

On 7 July 2023 Vanguard began the switch process through Origo (the online pension transfer service). It wrongly conducted a cash – not in specie – pension switch. The Gilt fund holding was liquidated into cash. The pension switch process was concluded on 20 July 2023. On 26 July 2023 Vanguard informed Mr B of its error, it apologised and promised to look into redress for any financial loss caused. On 31 July 2023 Mr B complained about the lack of a resolution (and lack of clarity over the true value of his pension) at the time. Vanguard reinvested the cash in the Gilt fund on 8 August 2023. Then, on 6 December 2023, Vanguard issued its complaint response. It said no redress was due because the pension switch could not have been conducted in-specie in any case, but it offered, and paid, Mr B £175 for the trouble and inconvenience he had been caused.

Mr B disputes this outcome. He claims, in the main, redress for financial loss [FL1] arising from the erroneously executed pension switch (that is, arising from his holding in the Gilt fund being wrongly taken out of the market before being reinstated), and redress for financial loss [FL2] resulting from his inability, since the error happened and because Vanguard declined to redress FL1, to accurately value his pension portfolio and make time and value dependent investment/fund switch decisions. He also questions whether (or not) the Gilt fund reinvestment on 8 August happened in a timely fashion.

What happened

Mr B's position in the complaint was mainly as follows –

- Redress for FL1 should naturally follow from Vanguard executing his pension switch instruction wrongly – a failing it has conceded.

- Redress for FL2 covers the fact that, pending the settlement of any resulting redress payment for FL1 and revaluation of his pension portfolio (inclusive of the payment) thereafter, the true value of the portfolio was/is unknown; his ongoing active management of, and investment strategy for, the portfolio (supported by evidence of his past fund switch activities in it) alongside market circumstances and circumstances related to his pension and pension arrangement at the time (and since), meant that it was more likely (than not) he would have conducted fund switches after, and/or irrespective of, the Gilt fund reinvestment; his decision in this respect would inevitably have included consideration of the true value of his portfolio (being a key aspect relevant to whether (or not) he could take certain risks and, if so, the extent to which he could); the same overall circumstances meant it was more likely (than not) he would or could have made *specific* named fund switches; however, the absence of resolution for the true valuation of the portfolio hindered

this, so there is an additional financial detriment, in the form of this lost investment opportunity (and associated financial loss), to redress.

- Compensation for the trouble and inconvenience caused to him in the matter is distinct, separate and somewhat irrelevant to the redress he is due for FL1 and FL2.

Mr B's position was slightly revised after one of our investigators looked into the complaint and gave his view.

The investigator mainly said –

- Reliable evidence directly from SL has been obtained. It confirms that the pension switch could not have happened in-specie in any case, because Mr B had a PP that held funds which could not be transferred in-specie to the Vanguard SIPP. On this basis, there are no grounds to redress his claim for FL1, because conducting the pension switch in cash, as it was conducted, appears to have been the only option.

- With regards to Mr B's awareness of Vanguard's position on redress for FL1, and therefore his awareness that the portfolio's value would be as it was, evidence shows that it received SL's confirmation (about an in-specie transfer being impossible) on 16 August 2023. Yet it did not confirm its position (saying no redress is due for FL1), and it did not relay the information, to Mr B until its complaint response on 6 December. There is nothing to justify this delay, so it should not have happened.

- From 6 December onwards, Vanguard's position on the matter was reasonably clear, so Mr B could have determined the true value of his pension portfolio on that basis. Between 16 August and 6 December, he was prevented from doing so by Vanguard's delay in communicating its position.

- In terms of whether (or not) this resulted directly in lost investment opportunity and a financial loss, as Mr B has claimed, the former does not necessarily imply the latter. "*There's nothing which suggests he likely would have changed investments. On the contrary, I can see he told Vanguard he couldn't say definitively whether he would have changed investment strategy or not. And it also wouldn't be fair to automatically assume he would have chosen an investment that performed better – without any supporting evidence. So, all in all, there's no evidence of an actual financial loss for Vanguard to put right here*".

- To compensate for the trouble and inconvenience caused to Mr B in the matter, Vanguard should pay him an additional £175, taking the total compensation amount (including the £175 it previously paid) to £350. Typically, where a firm's mistake has caused trouble and inconvenience over many weeks or months, as in his case, we can consider an award of £350 to be suitable. In Mr B's case, it fairly recognises the impact upon him of Vanguard's error.

In response, Mr B mainly said –

- The investigator has misguided himself into addressing the complaint as one about an administrative inconvenience, instead of addressing the distinct and established claim for financial loss that it primarily presents. His recommendation of an additional £175 payment for the former is insulting when viewed in the context of the significant loss that has probably been incurred in the latter.

- The first clear and credible explanation he received about Vanguard's position on

FL1 was that given in the investigator's view. Vanguard's complaint response gave no such explanation. It said the in-specie transfer could not happen because his SL 'SIPP' was held in cash and SL "… *don't sell Standard Life funds, as discussed*". However, he did not have an SL SIPP, he had an SL PP; the PP was not held in cash it was invested in the Gilt fund holding; and he still does not understand the additional reason (quoted). In other words, Vanguard's complaint response was inaccurate, so he reasonably considered that its position on FL1 would inevitably be revised once its errors were corrected – but, despite its promise to liaise with SL for that purpose and his representations and submission of evidence, it did not do that.

- Therefore, until the investigator's view he did not have reliable information on the matter of redress for FL1 and, therefore, on the true value of his pension portfolio. This has led to FL2, covering the period from July 2023 (when the pension switch happened) to May 2024 (when the investigator issued his view) – the 'FL2 period'.

- In this respect, the investigator is wrong to say he was aware of the position on FL1 from Vanguard's 6 December complaint response. He was not. The response was erroneous, and it failed the regulatory requirement for communications from firms to be fair, clear and not misleading. The inaccurate information in it was the basis on which the alleged impossibility of an in-specie transfer rested. The letter's reference to that impossibility cannot reasonably be isolated from the reason given. Therefore, knowing that the reason given was wrong and having discussed with Vanguard (on the telephone on the same day) the need to review the outcome because the reason was wrong, he cannot be deemed to have been aware that FL1 was resolved. It was not resolved. He was reasonably entitled to expect that the outcome would be revised and would be different after the reason given was looked into and corrected.

- Just because FL2 is hard to measure does not mean it has not been suffered. Equally, just because the investigator considers that his case has not met our threshold for compensation does not mean he has not suffered FL2. It should be reasonable for us to determine FL2, and redress for it, on the balance of probabilities.

- Evidence of his past active management of the portfolio – and therefore evidence to support his claims about what he would probably have done, but for the delay in resolving FL1 – has not been properly addressed by the investigator. He said it showed activities defined by particular volatility related circumstances in the past, but he failed to consider, at least, whether (or not) the same or comparable circumstances existed in the FL2 period.

- His position remains that, but for Vanguard's delay, during the FL2 period, in resolving FL1, it is highly likely he would have made fund switches as he has described. On our part, and as a minimum, a reasonable conclusion from us should be that –

  "*it is more likely than not that, had* [his] *decision-making not been impaired,* [he] *might have made a change to* [his] *investments (the degree of certainty is clearly a matter of judgement)*"

  and that –

  "[we] *cannot be certain as to whether* [he] *would have benefited from making a switch (although the subsequent performance of the gilt fund relative to other markets suggest that it is more likely than not that* [he] *would*)".

- The award for trouble and inconvenience is trivial, and it is not what he seeks, his claim for redress for FL2 should be our priority in determining his complaint.

The investigator responded to Mr B, and the matter was referred to an Ombudsman.

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 laws and rules relevant to Vanguard's role and responsibilities towards Mr B are, in the main, those clearly stated in the relevant parts of the regulator's *Handbook*.

Its communication responsibilities, as described in Mr B's submissions, are in the Handbook's *Principles for Businesses*. The requirements for it to conduct its services with due skill, care and diligence, to make reasonable efforts to manage and control its affairs responsibly and effectively, and to uphold its customers' interests and treat them fairly are also in the Principles. To provide added context, there is case law – Ouseley J, in R (British Bankers Association) v Financial Services Authority [2011] EWHC 999 (Admin) – that confirms the Principles are ever present requirements firms must comply with.

Furthermore, a firm's responsibility to abide by the 'client's best interests rule' is set out in the Conduct of Business Sourcebook ('COBS') section of the Handbook, at COBS 2, so this also applies (and reflects the Principle about upholding customers' interests).

With these provisions in mind, it is somewhat clear that Vanguard has done some things wrong in Mr B's case, and that in doing so it has not upheld some of the relevant Principles. Mr B's complaint is upheld. Merits is not the issue in dispute, instead redress is.

I consider it helpful to make some preliminary findings.

Vanguard made an error at the outset of the pension switch process, which it readily accepted and apologised for. It failed to verify the possibility of the in-specie transfer instructed by Mr B before undertaking it. SL has confirmed to us that it received no contact from Vanguard, at the outset, for this purpose. Available evidence suggests that Vanguard begun and, it appears, concluded the process before realising that it had wrongly been conducted in cash. It appears that it did not even establish the possibility of the instructed in-specie transfer until almost a month after that, when it obtained SL's explanation of 16 August. In other words, it obtained on 16 August the information that, in the circumstances, it should have sought and obtained at the outset in early July.

I acknowledge that Vanguard's 6 December decision changed its position, but it did that mainly in relation to the matter of redressing FL1. The decision accurately describes and acknowledges its error in conducting a cash transfer contrary to the in-specie transfer instruction and its initial undertaking to redress financial loss resulting from that. There also appears to be a nod towards its error in not determining the possibility of the instructed transfer earlier. Vanguard said – "… *we should've ensured we were aware of the status of your transfer from the outset before alarming you that you were potentially disadvantaged as you were understandably concerned and chased us for an update on the financial loss calculation which wasn't required*". In this statement it noted Mr B's effort to have FL1 resolved, and it appears to be referring to its failure to do that earlier ('from the outset') but I consider this could also be read as its acknowledgement that it should have determined the *status* or possibility of the instructed in-specie transfer *from the outset*.

The point to note is that Vanguard's wrongdoings – in failing to determine the possibility of

the in-specie transfer at the outset and then in conducting a cash transfer contrary to Mr B's instruction – are either not in dispute, or they cannot reasonably be disputed. The facts support this finding, and in this respect it failed to uphold his best interests.

Another preliminary finding is that, based on evidence directly from SL, an in-specie transfer would not have been possible in any case. Therefore, even if Vanguard had properly verified this at the outset the result would have been the same, the pension switch would have been conducted in liquidated cash. We have not probed SL further on the details (if any) behind this. It is not the respondent to the complaint. Its explanation that the SL PP had holdings that could not be transferred in-specie has been clear and sufficient for the purpose of addressing the complaint against Vanguard, and it sent us documentation about the PP and about holdings within it to support its explanation.

On this basis, I can conclude that the in-specie transfer would never have happened. For this reason, I can also safely conclude that any loss in FL1 was not caused by Vanguard's wrongdoing, instead any loss in FL1 would have happened in any case. As such, there is no ground to redress FL1 in this complaint. Given his submissions after the investigator's view, it seems that Mr B might have accepted this.

The next preliminary finding is that Mr B was caused trouble and inconvenience by Vanguard's mishandling of the pension switch instruction, its delay in verifying the possibility of the instructed in-specie transfer and its failings in conveying information on that (and its outcome for the FL1 claim) to him. I hope he does not consider this finding an insult. That is not my intention. I am mindful of his views that this is a trivial issue, compared to his claim for FL2, and that his complaint should not be wrongly reduced to one about administrative errors. I have not done the latter. For what it is worth, I also do not consider that the investigator did that – and I note that the investigator explained the same to Mr B.

Mr B's claim for FL2 will receive dedicated treatment further below.

The fact that he was caused the aforementioned trouble and inconvenience cannot reasonably be ignored. It needs to be addressed, so I must make a finding on it. In this respect, I share the investigator's view, for the same reasons he gave. I appreciate that Mr B might consider that the full period relevant to this is the FL2 period. I disagree, and will give my reasons as I treat the claim for FL2 below. Instead, I consider that the trouble and inconvenience he was caused was limited to around five months, the period between July and December 2023.

As the investigator said, a total award of £350 is fair in these circumstances. The purpose of our awards for trouble, distress and/or inconvenience is to assess and provide a financial form of compensation that recognises such impacts upon a complainant – impact usually arising from the complaint's subject. I refer to the part of our website with further information and guidance on this, at the following link – https://www.financial-ombudsman.org.uk/businesses/resolving-complaint/understanding-compensation/compensation-for-distress-or-inconvenience.

Mr B will see that the relevant range in the guidance is the £300 to £750 range. However, in his case, throughout the five months (approximately) period and until he learnt about Vanguard's outcome on 6 December, the impact of the matter was mitigated by Vanguard's repeated acknowledgements of its error, apologies for it and promises to make good on any loss. In other words, until December, he had a degree of comfort in Vanguard's undertaking to resolve the matter. I appreciate he was still forced, by Vanguard's delay, to chase the resolution (and, in turn, visibility of his portfolio's true value). However, the fact that its undertaking to resolve FL1 was in place during that period would still have reduced the trouble and inconvenience impact he faced. Therefore, I consider that the £350 award, at the

lower end of the range, is fair in his case.

I now turn to what appears to be the complaint's main issue – Mr B's claim for FL2.

It might be helpful to make a few preliminary findings in this respect too.

The premise for the claim is a reasonable one; I understand and accept that an investor (including a pension investor) will likely consider, amongst other things, the value of a portfolio at the relevant time(s) in making a decision on whether (or not), in that context, there is capacity for change within it; in Mr B's case, valuation of the newly established Vanguard SIPP (including the transferred cash) was known at the time, as was the amount reinvested in the Gilt fund; but the picture was potentially incomplete, given that additional and unknown value was possibly forthcoming in terms of redress for FL1; therefore, it is reasonable to find that Mr B would have viewed the SIPP portfolio's true value as being, at least, partly unresolved even after the Gilt fund reinvestment; and, as a slight departure from the FL2 issue and to answer Mr B's enquiry about the timing of the Gilt fund reinvestment, there is transaction statement evidence for the SIPP showing that the liquidated cash was received on 7 August and reinvested on 8 August, so the reinvestment does not appear to have been unduly delayed.

Mr B is correct in his argument that his claim can be determined on the balance of probabilities. From what I can see, this is the approach the investigator took and sought to convey in his view and post-view communications. The approach is not alien to our service, we can and do address complaints (and redress) on the basis of what is more likely (than not) to have happened – or, the balance of probabilities. With this said, the balance of probabilities questions that arise in this case, which must be fairly determined, are –

- The Gilt fund reinvestment happened (on 8 August) with Mr B's awareness and consent. How likely was it that thereafter (and within the FL2 period) he would have altered the reinvestment he had recently made and/or the portfolio? [Enquiry 'A']

- If the probability is that he would have altered the Gilt fund reinvestment and/or the portfolio, when was that likely to have happened? The FL2 period covers 10 months. Was it probable that he would he have done this only once in this period or was it probable that he would he have altered the portfolio more than once in this period? If the latter, when was he likely to make subsequent alterations during the FL2 period? [Enquiry 'B']

- If the above probabilities are established, what are the probable investment/fund switches Mr B would have made in the FL2 period? [Enquiry 'C']

- If the above probabilities are established, how would the SIPP portfolio have performed during the FL2 period? [Enquiry 'D']

I have not disregarded the issue about whether (or not) the 6 December outcome gave Mr B notice about the position on FL1. I acknowledge that this issue is connected to his claim for FL2 and I address it below. However, first, I will explain my view that, on balance, none of the above probabilities can safely and reasonably be determined. In light of this conclusion, the debate over the 6 December outcome becomes somewhat moot, because, whichever way that debate concludes my inability to safely determine the aforementioned probabilities means there will be no ground to uphold the claim for FL2.

I have taken on board the overall circumstances Mr B has referred to which, he says, make it more likely (than not) that he would have conducted fund switches after the Gilt fund

reinvestment, if he had a true value for the portfolio. However, some important facts (and the implications arising from them) work against and, on balance, defeat this assertion.

First, it is a fact that he instructed an in-specie transfer of the Gilt fund holding. By his evidence, that holding had been in the SL PP since October 2022. Therefore, around nine months later when he instructed the pension switch he sought to continue with the holding – hence his in-specie transfer instruction – not to dispose of it. This does not suggest the imminence of fund switches, instead it suggests he wanted to retain and continue the holding.

Mr B has said the following –

"*The following points demonstrate that the fall in value of my pension investments was a cause of concern that warranted attention (through a change to the investment strategy):*

- *the falls in value that I experienced, whilst invested directly with Vanguard, followed prior falls that took place earlier in the year …*
- *my communication exchanges with Vanguard show repeated assertions from me throughout August that the lack of visibility over the true value of my pension was acting as an obstacle to reviewing my investment strategy; and*
- *these falls in value coincided with the time that I was starting to use my pension fund to provide an income in retirement (I took my tax-free cash lump sum out in September 2023 and started income drawdown in December 2023). The initiation of this deaccumulation process reduced my tolerance towards investment volatility*."

"*My original strategy was set when I was invested with Standard Life and included some Standard Life funds that I could no longer access from Vanguard. The updated strategy was:*

- *1/3rd invested in Vanguard FTSE UK All Share Index Unit Trust*
- *1/3rd invested in Vanguard UK Inflation-linked Gilt Index fund*
- *1/3rd invested in Vanguard UK Investment Grade Bond Index Fund.*

I think that if my decision-making was not hampered by the lack of visibility I was experiencing with the value of my investments, the balance of probability is that I would have effected an investment switch at that time to the above strategy (ie the request to change my investments would have been made on 22 August 2023. (There was also a time in December when I was very close to switching to the above strategy, but that may be academic for the purpose of assessing my loss as had Vanguard's error not arisen, I would already have made an investment change in August.)

Whilst I believe there is very strong evidence to suggest a switch to my investments would have been made, I cannot prove that is the case. That said, given this issue has arisen because of Vanguard's original error (coupled with its failure to rectify the matter), I do not think it is fair to impose the burden of proof on me. I believe Vanguard should be required to prove that it is not tenable for me to have suffered the potential loss being contemplated."

The first quote (above) suggests the portfolio was already experiencing loss, *earlier in the year*, before the pension switch instruction. There also appears to have been a pre-existing plan to withdraw tax free cash from the pension and to start income drawdown. Mr B says these happened in September and December 2023 respectively, but I consider it broadly safe to conclude that both were probably foreseen and/or planned around the time of the pension switch.

All of these factors stood to impact on the value of the pension's portfolio, and they were

known or probably known at the time of the July pension switch instruction.

Despite these factors the pension switch instruction said the Gilt fund – which was the only fund in the SL PP – should be retained (as of July), and Mr B's argument is that, but for the lack of a true value for the portfolio, he would have switched funds one month later into what appears to be three completely new fund holdings.

On balance, I do not find this plausible.

I have not seen evidence from around the time of the pension switch that the fund switches he has specifically described were in consideration. Furthermore, the factors that have been mentioned, as reasons why the fund switches in August would have been probable (but for the visibility of true value issue), either existed or were foreseen/foreseeable at the time Mr B elected to continue with the Gilt fund as part of the pension switch. If those factors did not prompt fund switches before or alongside the pension switch, it is not clear to me why they would have prompted fund switches a month after an in-specie transfer of the holding.

The liquidation that happened in the pension switch meant Mr B had cash to begin the Vanguard SIPP with. This meant the decision to liquidate the Gilt fund had already been taken out of his hands, and the cash holding could reasonably be viewed as an invitation to invest afresh. In the context addressed above, and mindful of the factors he has mentioned as to why he would have switched funds a month after the switch, it is not clear why he did not pursue fresh investments but instead consented to a reinvestment back into the very holding – the Gilt fund holding – he previously had and that he says he would have switched away from in August. Even if considered on its own, it could be said that this reinvestment presents a conflict with his fund switch argument.

I remain mindful of Mr B's position that visibility of the true value of his SIPP portfolio was impaired at the time. For the reasons given earlier, I accept that, in his view, the portfolio's value was partly incomplete at the time, but the above findings can be isolated from that. In his evidence he has described factors that were either known or probably known (and/or planned) at the time of the pension switch and he says they would have led, or contributed, to his decision to conduct fund switches in August.

Therefore, the above findings can reasonably be made irrespective of the true value visibility issue. The true value of the portfolio would have been an additional factor to consider, but I find that the other factors he has mentioned (loss related factors and factors associated with the reduction of capital in the portfolio (due to planned and then executed tax free cash and drawdown withdrawals)) would probably have been more important drivers for his investments decision(s).

Overall, on balance and for the above reasons – and as a partial response to Enquiry A – I do not find there is a probability that Mr B would have conducted the fund switches in August that he claims.

To address Enquiries A, B and C, I have considered his evidence on the SL PP portfolio's contents prior to the pension switch. As I said above, it held the Gilt fund from October 2022. For around two years between October 2020 and October 2022, it held an SL Equity Index related fund. This holding began as his fourth fund switch in 2020. Prior to that, he had conducted a total of three previous fund switches – in January, March and May that year. The fund held in the portfolio before the January 2020 fund switch had been held for almost a year previously (beginning from February 1999).

I accept that this evidence shows relatively active portfolio management by Mr B over the stated years. However, I do not consider that it presents a pattern from which I can safely

and fairly determine that he would have conducted a fund switch (or fund switches) during the FL2 period.

I have already made findings about how his instruction to retain the Gilt fund in-specie and about how reinvestment of the liquidated cash in the Gilt fund both conflict with the notion that there was likely to be a move away from that fund shortly after the pension switch. The Gilt fund had been held for around 9 months, the holding (in a different fund) before that had been kept for two years, there seems to have been an isolated flurry of fund switches in early and mid-2020, but the portfolio's holding prior to that had been kept for almost a year.

Overall and on balance, the sum of the above does not support a conclusion that, more likely (than not), there would have been a fund switch/fund switches in the Vanguard SIPP portfolio during the 10 months of the FL2 period.

I am not persuaded to engage in an analysis of the prevailing market circumstances in the portfolio's history of fund switches, and then to compare that with the market circumstances during the FL2 period. Such circumstances can be relevant to fund switching decisions, but they alone (or alongside the fund switches that happened) will not automatically establish a pattern relevant to what would have happened in the FL2 period. Investment decisions commonly have different variables that go beyond prevailing market circumstances, so whilst I understand why Mr B has suggested that such an analysis should be conducted, I do not consider it will be enough to establish, on balance and in the face of the conflicting factors mentioned above, credible answers to Enquiries A, B and C.

It seems from some of Mr B's submissions – some of which I have quoted above – that he might recognise the difficulty in determining that there has been a definitive loss in his case. Even if I agree that there might have been lost investment opportunity during the FL2 period, that does not automatically mean that there has been a financial loss. Such opportunity, if it existed and if was taken, could have resulted in worsening or improving the portfolio's value.

Even if I agree that there might have been lost investment opportunity during the FL2 period, we do not even have a reliable basis to say, on the balance of probabilities, when any fund switches would have happened and what they would have been. I have already addressed, above, Mr B's submissions on this and I have explained why they do not persuade me.

Overall, on balance and for the reasons given above, I find that the probabilities in Enquiries A, B and C required to support Mr B's claim for FL2 have not and cannot be established. It follows that the same applies to the probability addressed in Enquiry D. The result is that his claim for FL2 cannot reasonably be upheld.

Determination of the debate over Vanguard's 6 December outcome will therefore make no difference to the claim for FL2. Regardless of what the outcome meant, the conclusion above about the claim for FL2 remains the same. However, as I mentioned earlier, this issue has some bearing on the time over which trouble and inconvenience was caused to Mr B – that is, was it around five months, as I found above, or was it the FL2 period? Again, I appreciate that he does not want an undue amount of attention on this issue, but I mentioned above that I will explain this point, so I must do so.

In a nutshell, I agree – as did the investigator in his most recent correspondence – that Vanguard's reasons in the 6 December outcome were wrong; the SL PP was not a SIPP, it was not invested in cash and I too cannot understand the last reason it gave; however, it was presented as Vanguard's final complaint response (with the letter saying – "*We now consider your complaint to be resolved*"); irrespective of what was said in the telephone discussion on the same day, Mr B had to take note of what the letter said, at least until there was subsequent correspondence that withdrew, and/or substituted for, it; there does not

appear to have been such subsequent correspondence; the letter concluded Vanguard's delay in issuing a complaint outcome; it also arguably concluded its delay in issuing its position on the claim for FL1; that position stood on incorrect grounds, but as far as it was concerned and until it chose to revise it, it remained its position (and the grounds it gave, albeit incorrect, remained its grounds); and I have not seen evidence that it indicated it will be withdrawing that position pending further investigation.

In the above context, I consider that Mr B knew by 6 December that the resolution to FL1 that he had been promised was not going to happen. I agree that the reason why was not credible and was not clear, and that he could reasonably have believed that the outcome would change once Vanguard's errors in those reasons were looked into and corrected. However, there is a distinction to be drawn between such a belief and the facts as they were. The facts as they were said Vanguard had concluded its investigation and that it would not be redressing the claim for FL1. I have not seen any subsequent action or communication from it that altered that message.

For the above reasons, I consider the trouble and inconvenience caused to Mr B by Vanguard's delay in issuing its complaint outcome and its position on the FL1 claim ended in December 2023.

Putting things right

On the grounds dealt with above, the only compensation due to Mr B is the additional £175 payment that must be made to him for the trouble and inconvenience he has been caused. My reasoning for this is as set out above. I order Vanguard to make this payment to him without delay.

My final decision

For the reasons given above, I uphold Mr B's complaint and I order Vanguard Asset Management Ltd to compensate him for the trouble and upset he has been caused, as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 28 October 2024.

Roy Kuku
Ombudsman