

The complaint

Mr T complains that Schroder Investments Limited ("Schroder") won't give him access to their online portal until he sends them copies of documents to verify his identity and address.

What happened

Mr T holds an investment account with Schroder. He moved abroad and contacted Schroder in 2022 to change his address on their register. Mr T asked if he could send the required documentation by email and questioned why he needed to send a certified copy, but Schroder told him that the documents had to be certified and sent by post.

Mr T contacted Schroder again in May 2024 to change his email address and register for their online portal. Schroder told Mr T that he would first need to complete their verification requirements, which meant sending by post certified copies of his passport and a proof of address (such as a utility bill). Schroder said they were unable to give Mr T access to their online portal until the verification checks had been completed. Mr T was unhappy with that and complained to Schroders that their process was unacceptable given that other providers accepted online verification.

In response to Mr T's complaint, Schroder said that as part of their customer due diligence, and to comply with anti-money laundering and counter terrorist financing regulations, they needed to verify his name and permanent residential address. They explained the documents that Mr T needed to complete and said they had to be posted and copies certified; they were unable to accept copies sent by email. Schroder said a hold had been placed on Mr T's account pending receipt and acceptance of the outstanding documentation.

Mr T remained unhappy and brought his complaint to our service. He said:

- He had used online signatures for other investments and had renewed his passport online, but Schroders refused to use any methods other than post.
- He had wanted to sell his investment for some time but was unable to access his account and may now incur some losses.
- If Schroders were prepared to pay for a solicitor to confirm his address, he would do what they had asked. He had also offered to send a copy of his passport electronically by a secure method, but Schroders wanted it certified by someone.

Our investigator didn't uphold Mr T's complaint. He said:

- It was a matter for Schroder to decide what type of information was required to satisfy them that the anti-money laundering rules and regulations were met.
- He thought it was fair and reasonable for Schroder to be cautious and place a hold on Mr T's account pending receipt and acceptance of the outstanding documentation they had requested.

Mr T disagreed and asked for an ombudsman to make a final decision. He said:

- There are plenty of alternatives to paperwork. He has various investments which have all been signed for using an electronic signature to comply with money laundering regulations.
- He renewed his passport online so has enough proof of his identity and address. He doesn't accept that there is no method by which Schroder could receive an electronic copy of his passport without the need to send a copy in the post.
- An application form sent to him by another provider was evidence that there was a quicker and easier way for Schroders to allow him access to his account.

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 T has explained clearly the frustration this matter has caused him, and I understand that he feels strongly about what has happened. But in deciding his complaint I have to take account of the relevant regulations and the role of our service.

Our service has no regulatory or disciplinary powers, which means we can't direct a business how to operate and we can't impose any penalties. We consider each case on its own facts and where things have gone wrong, we look to put them right on a fair and reasonable basis.

Money laundering regulations and legislation place extensive obligations on regulated financial businesses covering the entire period of a business' relationship with their customers. Businesses are required to take a risk-based approach to money laundering and have suitable systems and processes in place. The regulations aren't prescriptive and so it's up to an individual business to put in place the appropriate measures.

I note Mr T's frustration that he has been asked to provide documents that are certified and to send them by post. I appreciate that will cost Mr T time and expense and that other providers have adopted different processes. As a regulated firm however, Schroder have discretion to put in place what they consider to be appropriate arrangements to meet their regulatory requirements; I cannot tell Schroder to change their processes in the way Mr T would like.

I'm satisfied that Schroder has provided sufficiently clear information about their processes to Mr T. They explained to him in 2022 the documents they needed but I note Mr T did not submit a formal request to change his address at that point. Schroder also set out clearly their requirements in 2024 when Mr T was looking to access the online portal.

In view of this, I don't think I can fairly say that Schroder have done anything wrong or acted unreasonably by requesting the information they have from Mr T. And I don't think it was unreasonable for Schroder to place a hold on Mr T's account while the matter was resolved.

I appreciate this will be a disappointing decision for Mr T. But I don't think Schroder have done anything wrong or treated him unfairly and so I won't be upholding his complaint.

My final decision

For the reasons given, I don't uphold Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 22 April 2025.

Matthew Young
Ombudsman