

## **The complaint**

Mrs H complains that M & G Securities Limited trading as M&G Investments didn't accept the verification documents she sent when attempting to make a withdrawal from her stocks and shares Individual Savings Account (ISA).

## **What happened**

On 26 September 2023, M&G received two calls asking for a withdrawal from Mrs H's ISA. On the first telephone call in the morning, the caller didn't pass security and M&G asked for the withdrawal request to be put in writing. Later in the day M&G received a further call and the caller passed security. M&G placed the requested withdrawal, and it sold units in the ISA. The proceeds weren't released, and M&G wrote to Mrs H to tell her that it believed someone had been trying to access her account.

M&G asked Mrs H to send a signed written request to release the funds and to provide documents to verify her address and identity. Mrs H sent a new signed written request to M&G dated 14 November which included a copy of a bank statement with her address on it. M&G wrote to Mrs H on 28 November to explain the documents she'd sent previously weren't acceptable and said it needed her to provide copies of her passport and a valid document for address verification, certified by a solicitor. M&G also explained Mrs H could obtain a Power of Attorney ('POA') and register it with them so that it could correspond with an individual who could assist her.

Mrs H sent further documents to M&G in early December, but in its final response to the complaint, M&G told her the documents were not acceptable as a solicitor hadn't certified them. As M&G hasn't received the certified documents it required to release the proceeds of the withdrawal, the funds remain as cash in Mrs H's stocks and shares ISA.

Miss H, who is Mrs H's daughter and is acting as her representative, brought the complaint to the Financial Ombudsman Service. One of our Investigators looked into things and Investigator thought M&G missed the opportunity to clarify to Mrs H what she needed to do in order for it to be satisfied it could release the proceeds of the withdrawal. The Investigator thought M&G should pay Mrs H £100 for the distress and inconvenience this caused her.

M&G didn't agree with our Investigator and asked that an Ombudsman decides the complaint. Miss H says Mrs H is unhappy that the Investigator hasn't taken into account that the amount that was sold from her stocks and shares ISA remains in cash, and that she's missed any growth on this amount.

## **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 understand M&G and Mrs H may be disappointed, but for very much the same reasons as our Investigator I've decided M&G didn't do anything significantly wrong when it asked Mrs H for further verification documents to complete the withdrawal. However, I've decided that

M&G's communication to Mrs H that it required certified copies of the verification documents caused some frustration. I will now explain why.

M&G received a telephone call on 26 September requesting a withdrawal from Mrs H's ISA. Unfortunately, the caller failed security and M&G explained Mrs H could request the withdrawal in writing. The caller then said she wished to raise a complaint. Later the same day, in a further call to M&G, the caller passed security and M&G processed the sale of the units in Mrs H's ISA.

I acknowledge Mrs H is frustrated and disappointed that having failed security in the morning, M&G took her instructions for the withdrawal after she'd passed security by providing the same information as she had done earlier in the day. But it's up to M&G to decide whether a caller passes security. I can't tell M&G what it must accept or what level of security it must obtain to be satisfied Mrs H's account hasn't been compromised. However, I can consider whether it treated Mrs H fairly and reasonably when it had concerns that someone was trying to access her account.

Although there were similar security checks in both calls, a security check can be subjective. In other words, if M&G have any reasonable concerns that someone else is trying to access Mrs H's account, it may decide to ask for additional security before releasing any funds, and it did so in the first call. M&G had highlighted a security concern in this call, and it reviewed the account later the same day. Unfortunately, later the same day M&G received a second call and this time it considered security had been passed. That doesn't mean M&G's didn't still have reasonable concerns that Mrs H's account may have been compromised after it reviewed both calls.

In a case like this, M&G has a regulatory obligation to protect Mrs H's account. The Financial Conduct Authority, who regulate M&G's activities, provides guidance on the sort of security checks it would expect M&G to carry out – but this guidance isn't prescriptive. It's up to M&G to take reasonable steps to satisfy itself any withdrawal request was from Mrs H and that her account hadn't been compromised. If M&G had reasonable concerns Mrs H hadn't instructed the withdrawal, I would expect it take steps to hold onto the funds until it was satisfied the instruction came from Mrs H, or an authorised third-party. So, I don't think it was unreasonable for M&G to carry out further security checks before it considered releasing the proceeds of the withdrawal. I also think that as M&G had ongoing concerns about a third-party accessing Mrs H's account, it wasn't unreasonable or unfair to Mrs H that it requested verification documents be fully certified by a solicitor. I will now explain why.

When Mrs H called M&G on 3 October to find out when she would receive the funds would reach her bank account, M&G requested that she confirm her instruction in writing, and it wrote to her the same day to say it had security concerns about access to her account. When Mrs H called M&G on 12 October to confirm she wasn't aware of anyone trying to access her account, M&G said it would review whether it was able to release the proceeds.

After receiving a written instruction from Mrs H dated 17 October, M&G said it still had concerns someone was trying to access the account without authority. In its letter to Mrs H on 20 October, M&G explained it would need to speak with her about the matter. It also asked Mrs H to send a copy of her driving license or passport, along with a copy of her most recent utility bill. M&G also asked Mrs H to sign the letter she sent with the documents so it could carry out a further check of her signature.

M&G received a signed letter, which included an out-of-date passport and a copy of a bank statement in Mrs H's name that is linked to the M&G account. In its response to Mrs H, M&G said it still had security concerns and required certified and acceptable verification documents or a POA to allow it to correspond and accept instructions from a third-party.

M&G asked Mrs H to provide a certified image of her passport and a valid document for address verification dated within the last three months. M&G said these documents must be certified by a registered or practising solicitor and clearly show the words, *"I can confirm that I have met with {your full name and date} and certify that this is a true likeness of {your full name} and that this document is certified to be a true copy of the original seen by me"*.

In its response dated 28 December, M&G explained to Mrs H the copy documents it had received, an HMRC document and a bank statement, would be acceptable if they were certified. These particular documents were received by M&G in early December, but they hadn't been certified. It seems reasonable for me to conclude that if Mrs H provided the documents in the certified format M&G requested, that it's more likely than not M&G would release the funds. And although M&G has accepted an instruction to sell the funds – because security was competed successfully on the second call – the crux of this complaint is the delay in M&G releasing the funds. Unfortunately, the funds remain in cash because Mrs H hasn't provided these documents and I think it's reasonable for M&G to make a decision to hold on to these funds until its satisfied Mrs H's account hasn't been compromised. Because of this, I think it would be unreasonable for me to decide M&G is responsible for the funds remaining in cash within her ISA account, or that it is responsible for any loss of investment opportunity Mrs H may have experienced.

I've read all of the correspondence between M&G and Mrs H. It seems to me that M&G could have been clearer what it required to release the funds. I can understand why Mrs H has become upset as it wasn't until its letter of 28 November that M&G explained to her that it wanted documents to be certified. I want to make it clear here that I'm satisfied M&G can request this, but it could have made such a request much earlier and more clearly than it did. This led to a misunderstanding of what it required and meant additional communication was required. This wouldn't have been necessary if M&G had made its requirements clearer and earlier than it did. I've decided M&G should pay Mrs H £100 to recognise the upset this caused her.

### **My final decision**

For the reasons above, I've decided M & G Securities Limited, trading as M&G Investments should pay Mrs H £100 to resolve the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 9 January 2025.

Paul Lawton  
**Ombudsman**