

The complaint

Mr C complains Strowz Ltd has ignored multiple requests to withdraw funds from his ISA.

What happened

Mr C holds an ISA with Strowz. His money is invested in the firm's "High Growth Portfolio" product.

In early 2024, Mr C attempted to withdraw £5,000 from his investment. He was told the funds would reach his nominated account in three working days, but they never arrived.

Mr C made multiple follow up requests, none of which were executed by Strowz. Mr C says he made multiple attempts to contact Strowz, but it ignored all of the correspondence he sent it.

Frustrated, Mr C contacted our service on 4 June 2024. He explained he'd completely lost faith in Strowz and wanted all of his money returned to him. We notified Strowz of Mr C's complaint the same day, and set out that the firm was required to provide him a response within eight weeks.

Eight weeks passed, and Mr C received no contact from Strowz. He exercised his right to refer his complaint to our service for further investigation.

Strowz failed to respond to any of the requests for information we submitted as part of our investigation. In the absence of any response from Strowz, our investigator concluded that the firm had failed to treat Mr C fairly. They recommended his money should be returned to him plus interest, and that it should compensate him for the distress and inconvenience its actions had caused.

As Strowz failed to respond to our investigator's opinion, the matter's been referred to me for a decision.

I provisionally decided to uphold Mr C's complaint. I said that:

"It is extremely disappointing that Strowz has failed to respond to both Mr C's complaint, and our subsequent attempts at investigating it. Nonetheless I'm satisfied it's appropriate for me to proceed with my decision on this complaint. Our rules, outlined in DISP 3.5.9 R explain that I may "reach a decision on the basis of what has been supplied and take account of the failure by a party to provide information requested". And that is what I shall now do in Mr C's complaint.

Strowz is authorised and regulated by the Financial Conduct Authority (FCA). As a regulated firm, there are standards it's expected to uphold when serving its customers. For example, PRIN 2.1.1 R requires that:

*"A firm must conduct its business with due skill, care and diligence...
A firm must pay due regard to the interests of its customers and treat them fairly...*

A firm must act to deliver good outcomes for retail customers...”.

Relevant to the circumstances of this complaint, COBS 2.1.1 R requires that:

“A firm must act honestly, fairly and professionally in accordance with the best interests of its client...”

And COBS 11.2A.2 confers on Strowz an obligation to execute orders on terms most favourable to its client. It says that:

“(1) A firm must take all sufficient steps to obtain, when executing orders, the best possible results for its clients taking into account the execution factors.

(2) The execution factors to be taken into account are price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order”.

As I see it, by not executing Mr C’s instructions to withdraw from his ISA, and in offering no explanation as to why this hasn’t happened, Strowz has failed to meet with these obligations. The firm has offered no defence for its lack of service. And based on the evidence available to me, I see no justification for why Mr C’s instructions should not have been executed at the first time of asking, and in line with the advertised three working day timescale.

Because I’m satisfied Strowz has failed to treat Mr C fairly I must now decide what should be done to put matters right.

Putting things right

Our service’s broad approach when resolving complaints is to have the respondent return the complainant to the position they’d likely have been in, but for errors or unfair treatment on the respondent’s part. That’s not necessarily straightforward in this complaint.

Mr C’s complaint began when Strowz failed to execute a withdrawal of £5,000 from his investments in early 2024. In isolation the remedy for this might be quite simple. But as Strowz’s negligence persisted, what Mr C wanted from the firm has, quite reasonably I think, changed over time. And to bring matters fully up to date, I note that the FCA has placed restrictions on Strowz’s future activities, which are likely to limit what it’s capable of doing for Mr C going forwards. I’ve kept all of this in mind when coming to my opinion of what must be done to fairly and reasonably resolve Mr C’s complaint.

As I see it, the delays and indifference Mr C has endured from Strowz have caused problems including:

- Deprivation of cash he ought to have received in a timely fashion.*
- Fees charged for withdrawals that were never executed.*
- Loss of opportunity in the financial markets.*
- The prospect of losing his ISA wrapper.*
- Distress and inconvenience.*

I’m empowered to decide the outcome of a dispute based on what I consider to be fair and reasonable in all of the circumstances of a complaint. It strikes me that there are a number of ways, with varying levels of complexity, I could direct Strowz to compensate Mr C for these issues. In these circumstances however, with everything we know, I find it’s appropriate for

me to require Strowz to settle this complaint in a manner which is deliberately simplistic, so as to bring matters to an end swiftly, once and for all.

I'm satisfied that because of the way he'd been treated by Strowz, had he been able to do so, Mr C would've withdrawn all of his money and ended his relationship with the firm on 4 June 2024. So to put matters right, Strowz must calculate the value of his investments as of 4 June 2024 and pay this amount to Mr C. This will extinguish Strowz' liability to pay Mr C the current value of his ISA. The firm should ensure Mr C's ISA is closed down.

In my view Mr C's been deprived of the use of his investment's proceeds since the date that cash should've arrived with him. Strowz advertises withdrawals take three working days to complete, meaning Mr C should've received his cash as of 7 June 2024. Because Mr C's been deprived of that cash, I require Strowz to calculate and pay simple interest at 8% per annum on the amount it pays to Mr C following the direction I've given above. The calculation of interest should begin on 7 June 2024 and continue until the date of settlement.

For the avoidance of doubt, Strowz must not apply any fees when making payments to Mr C. It's provided us with no documentation that would demonstrate that any such fees could fairly or reasonably be justified or enforced. And the circumstances of Mr C's request stem directly from Strowz's own negligence, so I do not consider it would be fair for the firm to charge him a fee.

Staying on the matter of fees, Mr C has provided evidence of the various withdrawal requests he made which went unfulfilled. On each occasion he keyed a withdrawal, Strowz appears to have charged him a fee for doing so, despite failing to execute any of the instructions correctly. For this reason, I required Strowz to review the history of Mr C's account, calculate the value of any fees charged for withdrawals which weren't executed, and pay this amount to Mr C directly. This is money Mr C's been deprived of, so as above, I require Strowz to calculate and pay simple interest at 8% per annum on top of any fees it refunds as a result of my direction. The calculation of interest should begin the date the fee was applied to Mr C's account and continue until the date of settlement.

Finally, I consider that Strowz negligence has had a substantial impact on Mr C. He's spent more than a year following this matter up and trying to gain access to his own money. His attempts at contacting the firm have been entirely ignored. Quite understandably he'll now be removing his money from its ISA wrapper in order to exit his relationship with Strowz. But this'll see him lose out on his ISA allowance from previous years, which will likely affect the way he invests his money in the foreseeable future. As a result of the distress and inconvenience it's caused Mr C, I require that Strowz pays him the sum of £600 in compensation".

Mr C acknowledged my findings. Strowz offered no reply.

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.

As neither party has contested my findings, I see no need to depart from them. All that remains is for me to make my decision final, which I shall now do.

My final decision

For the reasons given above in my provisional decision, I uphold Mr C's complaint against Strowz Ltd. I now require that the firm pays redress to Mr C as directed above in the section

titled “Putting things right”.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr C to accept or reject my decision before 24 June 2025.

Marcus Moore
Ombudsman