

The complaint

Mrs C complains that, when she instructed abrdn Alternative Funds Limited (“abrdn”) to sell her investments and pay her the proceeds, it delayed the payment. She needed the money to pay her care home fees, so she says the delay was very upsetting and stressful. She wants interest added to the final settlement.

The complaint is brought on Mrs C’s behalf by her daughter, who is also appointed as her attorney. I’ll refer to her as Mrs V.

What happened

Mrs C held investments with abrdn. She gave instructions to sell her investments and pay the proceeds to her bank account. abrdn received those instructions on 17 August 2023, and sold her investments the following day. But Mrs C didn’t receive the proceeds until 28 December.

I won’t go into detail here about what happened between August and December because, since the complaint was referred to us, abrdn has accepted it caused some delays. It offered to pay interest at 6.25% on the amount paid to Mrs C from 10 November to 22 December. And it offered £100 as a goodwill gesture.

Our investigator thought abrdn should have been in a position to pay Mrs C earlier than 10 November, so she thought interest should be paid from 18 September. And that interest should be calculated at 8%. She didn’t think £100 was enough to compensate Mrs C for the distress and inconvenience abrdn had caused and thought £200 was fair and reasonable.

abrdn agreed to pay interest at 8% and agreed to pay £200. But it didn’t agree to pay the interest from 18 September. Having reconsidered everything, it said it would pay interest from 1 November. It said that this was when it had registered the EPA in its records, and it then could’ve worked directly with Mrs V to ensure the payment was made more swiftly.

As abrdn didn’t agree with our investigator’s conclusion, the complaint was passed to me.

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 find the delays here were initially caused by the fact that, in 2017, Mrs C had asked for an added security measure to be placed on her account and this meant any written instructions she gave had to be confirmed by phone. Her personal circumstances had changed by 2023 when she gave the instruction to sell her investments, which made it very difficult for her to speak on the phone. Until Mrs V provided abrdn with a certified copy of the EPA, she didn’t have authority on the account. So, whilst I accept it was initially frustrating for Mrs V that abrdn wouldn’t communicate with her, abrdn was acting in Mrs C’s best interests by only corresponding with the individual authorised on the account.

But abdrn has accepted it made some mistakes here and I agree. As our investigator explained, on 7 September abdrn received an email from Mrs V which explained why the proceeds were required urgently – the money was needed to pay Mrs C's care home fees. And it was clear the delay was causing both Mrs C and Mrs V much distress.

I agree with the investigator that abdrn should have responded much more quickly to that email and, had it done so, it's more likely than not that Mrs V would have been able to provide the information abdrn needed relatively quickly. For that reason, I agree that it's fair and reasonable for abdrn to calculate the interest period from 18 September.

abdrn has agreed with our investigator's recommendation to pay Mrs C £200 for the distress and inconvenience she's been caused. I agree this is fair and reasonable compensation.

Mrs V also raised concerns about her mother's details being passed to a third party without her agreement. Our investigator explained there was a contractual agreement in place between abdrn and the other business to allow data to be shared for processing client enquiries and handling complaints. I don't find abdrn has treated Mrs C unfairly or unreasonably in sharing the information about her account in these circumstances.

My final decision

My final decision is that abdrn Alternative Funds Limited should:

1. Pay Mrs C interest on the sum it paid her in December 2023 at 8% simple per annum for the period 18 September to 22 December 2023 inclusive. *
2. Pay Mrs C £200 for the distress and inconvenience caused.

* HM Revenue & Customs requires abdrn Alternative Funds Limited to take off tax from this interest. abdrn Alternative Funds Limited must give Mrs C a certificate showing how much tax it's taken off if she asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 16 December 2024.

Elizabeth Dawes
Ombudsman