

The complaint

Mr Y complains about the way Vanguard Asset Management, Ltd (Vanguard) have administered his Individual Savings Account (ISA).

What happened

The details of what happened are well known to both parties. So, I will just summarise them here.

- Mr Y holds an ISA with Vanguard.
- Vanguard say that Mr Y called them on 29 February 2024, with the purpose of discussing regular lump sum payments into his ISA.
- Vanguard say the associate during the call discussed setting up a quarterly direct debit to collect account fees. At the time, the fees were collected through any cash in the account. Vanguard say the conditions of the account meant funds could have been sold to pay the fees, if there was insufficient cash.
- Vanguard say that Mr Y indicated he would set up the direct debit option for account fees. They originally stated he had agreed to it, but later acknowledged that it was set up in error and without his confirmation.

Mr Y was unhappy and brought his complaint to our service for an independent review.

After the case was brought to this Service, Vanguard offered Mr Y £100. They noted a direct debit had been taken in September 2024 (Approximately £5) to cover fees from June to August 2024. They said there was no financial loss, as these were fees that Mr Y was required to pay.

Our Investigator issued their view on the matter and thought £100 was fair and fairly recognised the impact to Mr Y.

Mr Y didn't agree and remained unhappy Vanguard had only acknowledged fault, following the case being brought to our service.

As no agreement was reached, the case has been passed to me to decide.

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.

Having done so, I agree with the outcome reached by the Investigator. I'll explain why.

Vanguard have acknowledged the direct debit shouldn't have been set up. Whilst they have pointed to Mr Y's alleged interest in the option during the call, they set it up without his confirmation and agreement. I can see this will have been concerning and distressing for Mr Y when he found out.

However, Mr Y hasn't evidenced that he suffered any financial loss from this mistake. The amount taken didn't mean he wasn't able to make other payments. And these fees were owed by Mr Y, and had previously been taken as cash from his ISA.

I think £100 compensation for the distress and inconvenience caused to Mr Y is fair and recognises the impact on him, including the fact that Vanguard didn't initially admit fault.

My final decision

My final decision, is that the offer Vanguard Asset Management, Ltd have made of £100 to put things right for Mr Y, is a fair one. They should pay him the £100, if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 14 March 2025.

Yoni Smith
Ombudsman