

The complaint

Mr B has complained about delays he experienced when transferring his individual savings account (ISA) from Liontrust Fund Partners LLP (Liontrust).

What happened

At the end of May 2023, Mr B initiated an ISA transfer to a third-party transferee provider. The ISA transfer didn't complete until 23 August 2023 and Mr B complained. Highlighting the HMRC ISA transfer guidelines which state an expectation that this type of transfer is completed within 30 days.

Liontrust responded to say they didn't think they had done anything wrong. They said they had transferred the requested fund, within a timely manner and in line with the guidance. They said any delay was due to the transferee inexplicably returning the funds.

Our investigator looked into it and she thought that Liontrust had made mistakes and were partly responsible for the timescale. She said the evidence suggested Liontrust had only sent one fund (Mr B held two) and that this is what had caused the majority of the delay. She suggested Liontrust compare the position of Mr B's holding, to what they would have been worth, had both funds been transferred out at the same time.

Liontrust took time to respond and eventually didn't agree. They said they only transferred one fund, as that will have been what was requested. They said that fund had been sent in a timely manner and within the expected timescale.

As no agreement was reached, the case was passed to me. I issued a provisional decision on 1 November 2024, stating that on a balance of probabilities I didn't think Liontrust had done anything wrong. I thought it was more likely that the error had been in the valuation than what was requested. However, Mr B didn't agree or accept this, as well as wanting me to look into whether the transferee and new provider had done anything wrong.

The case came to me to decide and I issued my provisional finds on 2 December 2024. An extract of which forms part of my decision below:

Liontrust have explained to me that because Mr B previously transferred ISA holdings to them from another provider, he had two portfolios with them (001 and 002). Fund 1 was held across 001 and 002, Fund 2 was held only in 002.

Liontrust (understandably) can't provide anything to show if 001 or 002 was requested by the new provider. However, I have a copy of the transfer request completed by the customer and it only had his account number (which covered 001 and 002). It didn't give any separate portfolio numbers and Mr B has confirmed he didn't provide these to the new provider.

I can't be sure what happened and need to consider this case on a balance of probabilities. I believe it is more likely that Liontrust made an error in only providing a valuation for one fund. (Fund 1). I say this because a cheque was sent for the total valuation of Fund 1, despite it being held across both portfolios. Also, I haven't seen anything to suggest the new provider made any error. They only had the overall account number from Mr B and I am satisfied it was this they used to request the valuation and transfer.

Liontrust sent Fund 1 in a timely manner and it was received on 7 July 2023, before being returned by the new provider. This was because they realised it was significantly short of the valuation Mr B had originally given (over the 10% tolerance). However, Fund 2 should also have been sent on 7 July 2023. I find Liontrust responsible for it not.

To put things right Liontrust should pay the difference between what Fund 2 was worth when it was sold and sent as cash to the new provider, and what it would have been worth had it been sent as cash on 7 July 2023, as it should have been. This has also been going on for nearly 18 months and as I find Liontrust mainly responsible for that, I believe they should compensate Mr B for the distress and inconvenience caused to the amount of £200. I think that fairly recognises the impact here.

Mr B responded to say he had nothing further to add to the provisional decision.

Liontrust responded to say they didn't agree. Amongst their points in response, they said:

- They accept liability for the full funds not being transferred but that the receiving provider should not have returned the partial funds they received.
- All other aspects of the requests were complied with by Liontrust in full and in a timely manner.
- They didn't agree that liability should lie with them solely.

As no agreement was reached, the case has come back 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 see no reason to depart from the outcome set out in my provisional decision. I'll explain why.

Liontrust accept responsibility for only sending the funds for Fund 1 in a timely manner. They should therefore redress Mr B for him not receiving the funds for Fund 2 as he should. I have set out how they should do this below.

I acknowledge their points regarding the delay caused by the new provider returning Fund 1, that's why I am not asking them to do anything further regarding that fund.

I believe £200 is fair compensation for the impact caused to Mr B from Liontrust's part in this issue and especially considering how long this matter has been going on for.

Putting things right

To put things right for Mr B, Liontrust Fund Partners LLP should:

- Pay the difference between what Fund 2 (ISIN GB00B8KLDR64, Liontrust MA Blended Intermediate Fund Class A Acc) was worth when it was sold and sent as cash to the new provider, and what it would have been worth had it been sent as cash on 7 July 2023, as it should have been.
- Pay Mr B £200 for the distress and inconvenience caused.

My final decision

My final decision, for the reasons set out above, is that I uphold this complaint in part against Liontrust Fund Partners LLP. They should put things right as I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 January 2025.

Yoni Smith
Ombudsman