

The complaint

Mrs P complains that Seven Investment Management LLP (7iM) failed to process a series of partial transfer requests for her stocks and shares ISA.

What happened

Mrs P held an ISA dealing portfolio with 7iM, within which some of her funds were invested in the Vanguard Investments UK Ltd Life Strategy 80% Equity Acc Fund (the '*Vanguard Fund*').

In September 2023, Mrs P sought to transfer the funds held in the Vanguard Fund from 7iM to Vanguard. The first request was rejected because Vanguard said an incorrect policy number had been used.

On 31 October 2023, Vanguard informed Mrs P that the transfer had failed again. It said 7iM wouldn't accept an electronic transfer request, so she completed a transfer form on 2 November 2023 and returned this to Vanguard.

On 5 December 2023, Vanguard told Mrs P that the transfer had failed again, and she needed to ask 7iM for the reason why the transfer could not proceed.

On 21 December 2023, Mrs P complained to 7iM. She queried why the transfer had failed. She said that three attempts had been made for a partial transfer of her Vanguard holdings - valued at approximately £100,000. She said 7iM was unfairly blocking these attempts.

On 27 December 2023, 7iM received a further electronic request from Vanguard. It replied to Vanguard the following day, rejecting the request.

On 4 January 2024, 7iM rejected the complaint. It said that it had a specialist team which oversaw all transfer requests. That team had only received an 'information' request from Vanguard - which was sent on 14 December 2023. After Mrs P complained, it then received the transfer request from Vanguard on 27 December 2023, but it could not accept email requests without a valid client instruction through a transfer form.

It told Mrs P, "to support you in moving forward with your request, we require Vanguard to email the signed ISA instruction to our Transitions team at [email address], where the team will commence processing of your request, upon receipt of a valid transfer instruction. Should Vanguard have any further queries regarding the transfer, they [can] direct them to our Transitions team, where they will be able to support. We kindly request that you pass on this information to Vanguard."

That same day, Vanguard told Mrs P that her transfer was suspended, because part of the holding could not be moved across.

Thereafter in February 2024, Vanguard messaged Mrs P on its online portal to explain that 7iM had since confirmed that it could not undertake a partial ISA transfer under the policy terms - it could only transfer the entirety of the holdings if Mrs P wished to proceed on that

basis.

Mrs P eventually cancelled the transfer request, as she only wanted to proceed with the partial transfer. She has since moved the entirety of her ISA holdings to another business in August 2024.

Mrs P then lodged her complaint with this service, where it was considered by one of our investigators. Our investigator didn't think the complaint should succeed. She explained that 7iM had not received the communications from Vanguard before December 2023. Instead, Vanguard had been sending the requests to its depository, not the specialist transfer team. Once a request was made by Vanguard to the correct place, 7iM had responded promptly to the partial transfer – explaining why it could not be facilitated.

Mrs P said she did not agree with our investigator. She said, in summary:

- 7iM must be aware of the multiple attempts to make the transfer between October and December 2023, and cannot now claim otherwise.
- As a retail investor, she had no knowledge of the internal workings of two large financial services organisations.
- 7iM contradicted itself – because it told her in the complaint response that it could not facilitate electronic transfers in the way Vanguard had requested.
- However, Vanguard told her in February 2024 that 7iM couldn't allow a partial transfer on any basis at all.
- At that point, she had been waiting some five months.
- In her mind, 7iM should not have been charging fees for her Vanguard holdings since the time at which she attempted to transfer them out of her ISA, and these should be returned to her by way of compensation.
- She also sold holdings during the period up to August 2024 (when the complaint was looked at by the investigator) to pay her 7iM fees – and she feels these should be refunded as well.
- Finally, some compensation should be paid for the considerable frustration of these circumstances, which had been going on for almost one year.

Our investigator revisited her opinion on the complaint, but she remained of the view that it should not succeed. She said whilst she understood why Mrs P felt contradictory information had been supplied between the two businesses, this complaint was lodged about 7iM. And she felt 7iM had behaved fairly in all the circumstances. Its specialist transfer team had only received the two requests in December 2023 from Vanguard. Once the full nature of the request was clarified by Vanguard, 7iM explained why it could not allow it to proceed, as it was a partial transfer.

Mrs P said she wanted the complaint to be referred to an ombudsman. She made a number of further written submissions:

- The statements made by 7iM did not merely *seem* to be contradictory; they *were* contradictory.
- She believes that 7iM has failed to comply with the Financial Conduct Authority's ('FCA') principles for businesses, specifically regarding Principles 6, 7 and 12.
- In her view, 7iM didn't pay regard to her interests, didn't communicate clearly to her about the ISA nor did it help her achieve a good outcome by facilitating the transfer at the earliest opportunity.
- She still believes that the remedy she seeks in terms of reimbursement of charges and holdings sold is appropriate, as 7iM's lack of ability to action the transfer caused these losses.

7iM said it had not provided contradictory information. It provided a copy of its system used by the transfer team which showed that requests had only been received in December 2023 from Vanguard. Though it was sorry to learn Mrs P had otherwise suffered delays these were not caused by 7iM, and it did not believe it was at fault for the complaint.

The complaint has now been 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 thank the parties for their patience whilst this matter has awaited an ombudsman's decision.

I do recognise Mrs P's depth of feeling about this matter, and I understand that this situation has been frustrating for her. Having reviewed matters carefully, I've reached the same overall outcome as the investigator. I realise that won't be what Mrs P has hoped for, but I'll summarise my reasons for reaching this conclusion below.

The Financial Ombudsman Service provides informal dispute resolution. My remit is to make independent findings on what I believe to be fair and reasonable to both parties in the circumstances; this does not follow a prescribed format or require chronological assessment of every incident in the complaint history. Instead, I will set out my reasons for my findings on what I consider to be the central issues in this complaint, based on the evidence before me.

In reaching my decision, I will take into account relevant law and regulations, regulator's rules, guidance, standards and codes of practice, along with what I consider good industry practice at the relevant time. And where the evidence is incomplete, inconclusive or contradictory, I'll make conclusions on the balance of probabilities – that is, what I think is more likely than not to have happened based on the available evidence before me and the wider surrounding circumstances.

I also note Mrs P has questioned 7iM's requirements under the FCA's Principles including those set out at Principle 12, the Consumer Duty. I've carefully considered the detail of those obligations but for the reasons I'll go on to explain, I don't think it'd be reasonable to require 7iM to pay the losses Mrs P has asked for – as I believe it to have acted fairly in all the circumstances relating to the ISA transfer request.

Though Mrs P feels otherwise, 7iM has shown us that it did not receive any transfer requests from Vanguard until 27 December 2023. It is clear that Mrs P underwent several attempts from the Vanguard side, as the extracts she has shown us from her online portal confirm as such.

However, I cannot make findings about the separate relationship Mrs P had as a customer of Vanguard. If she remains concerned about the service she received from that business, she is free to pursue a complaint to Vanguard directly. However, this complaint concerns the actions – or inactions – of 7iM.

I am satisfied that 7iM did not receive any request to its designated specialist transfer team until the first information request of 14 December, and then an electronic transfer request of 27 December 2023. That's not to say Vanguard did not undertake other actions before that date, but in order to action the transfer, a request needed to be made to the appropriate team. In respect of the transfer request of 27 December 2023, 7iM responded the following

day to Vanguard on the electronic system, in which it said:

“Partial transfer is not supported. Applicable when tax years are rolled up and because, for example, a transfer request for tax year 2000 only is received, it is not possible to process the transfer as the investor holds other tax years as well.”

I can see that when it replied to Mrs P’s complaint on 4 January 2024, 7iM was not particularly helpful in explaining the reason the request had failed on 27 December 2023. It told Mrs P that it couldn’t accept an electronic request. This was true – it did require a transfer form to complete partial transfer requests – which could, on some occasions, be permitted. However, it didn’t set out the exact note it had issued to Vanguard on 28 December 2023.

I can see why this was frustrating for Mrs P, as it since transpired that the partial transfer couldn’t be actioned at all – for the reasons alluded to in the electronic system note between the two businesses. However, this was not made clear to Mrs P until 8 February 2024.

However, 7iM still required a valid transfer instruction from Mrs P if she wished to proceed with a transfer – and on what basis. This was since it might have been able to facilitate a partial transfer in a different way, or Mrs P might have wished to transfer her entire holding. It therefore still had to ask for the form if Mrs P wished to complete any transfer, though I note that 7iM did not receive anything further from Vanguard thereafter.

On general grounds, I’d expect to see that a business moves an ISA transfer along as quickly as is practicable in the circumstances. Each stage of a transfer may necessitate a different amount of human intervention and effort, and industry guidance requires transfers of this type to be completed within 30 calendar days from the date of receipt of a valid request. However, in this case, a valid request wasn’t received by 7iM.

7iM required all transfer requests to be sent through its dedicated team, and for this, an ISA transfer form had to be completed. Though Mrs P completed that form with Vanguard in early November 2023, it was never received by 7iM at any time. Instead, an electronic request – without the form - was made by Vanguard on 27 December 2023, and 7iM refused it, noting in the extract above that it couldn’t facilitate partial requests for holdings that crossed over multiple tax years.

7iM wasn’t responsible for the interactions Mrs P had with Vanguard through its online portal. Its responsibility was to respond to – and facilitate – transfer requests reasonably and promptly. And I believe it has done so. It follows that, despite my sympathy for the annoyance and frustration Mrs P has told us about, I cannot uphold this complaint. That is since I cannot find any objective evidence of wrongdoing on the part of 7iM. Accordingly, I don’t believe it needs to do anything further to resolve this complaint.

My final decision

For the reasons I have set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs P to accept or reject my decision before 24 February 2025.

Jo Storey
Ombudsman