

The complaint

Mr A complained about Standard Life Savings Limited trading as Abrdn Wrap (Abrdn). He said Abrdn delayed his transfer request to move funds from his stocks and shares ISA to another provider.

Mr A said there were periods of time that he was disinvested from the market, and because of this he made investment losses. He said Abrdn should compensate him for this, due to the mistakes it has made.

What happened

Mr A held a stocks and shares ISA account with Abrdn. He made a transfer request on 20 October 2023 for Abrdn to sell his investment to cash and then transfer this to another ISA provider, a third party. He said there were prolonged periods of inaction by Abrdn, where his money had been disinvested, and during this time there was positive activity in the markets.

Mr A said his partner didn't transfer her funds and has seen an increase in her investment. He said it stands to reason, that if he had kept his investment with Abrdn or if it had been transferred to the third party a lot sooner, his portfolio would have increased in value in the same way. He said the long periods of disinvestment had resulted in him making a loss. He complained to Abrdn about this.

Abrdn said in response that it was sorry for the delays Mr A experienced when it processed his transfer to a third party. It said it received a request to transfer his ISA on 20 October 2023. It said it wasn't until 20 November 2023 that it sent proceeds over to Mr A's new provider. It said this was later than it should have been. It went on to ask Mr A if he had any information to provide so it could assess whether he had incurred any investment losses. Abrdn then paid Mr A £100 for the distress and inconvenience it said it had caused him.

Mr A, through his financial adviser, responded to Abrdn and said he calculated his investment losses to be around £9460. He said it was 25 October 2023 when his investment was cashed and ready to send. He said the cash was eventually transferred over on 20 November 2023. He said the fund he was invested in with Abrdn grew 4.01% in that period, making around £9460. Mr A said he wouldn't accept anything less than that.

Abrdn asked for evidence that Mr A had invested in the fund that he had mentioned. Mr A, again through his financial adviser, provided a statement from his new provider, showing all of the funds he had invested in.

Abrdn, using the information provided about the funds he went on to invest in, then calculated that Mr A had incurred losses of around £62 and sent to him a spreadsheet of data, that it issued to arrive at that number. It paid an amount into Mr A's account, regarding the funds where he had incurred a loss, but for the delay it said it caused.

Mr A was not happy with Abrdn's calculation and asked for an explanation. Abrdn said its calculation was to put Mr A back into the position he would have been in had the delays not occurred. It said it compared the unit price of the funds he did invest in against what should

have happened i.e., that he ought to, in its opinion, have been able to invest in the funds he went on to invest in, sooner.

Mr A was not happy with Abrdn's response and referred his complaint to our service. Since the complaint has been at our service, Abrdn has provided a summary of Mr A's complaint and made additional comments. It said it sold Mr A's investments to cash and this settled on 27 October 2023. It said the first opportunity it had to send the cash was the next working day, this being 30 October 2023. It said although it acknowledged the client expectation was that it would send the funds straight away, it considered 5 working days from this point as a reasonable period to do this and it based its loss calculation on this basis.

Abrdn said it delayed payment and didn't send the money until 20 November 2023. It said based on the contract notes provided by the third party, the funds were reinvested on 28 November 2023. It said it calculated compensation by comparing the number of units that would've been bought if the cash was transferred in a timely manner and invested on 16 November 2023, rather than 28 November 2023.

Abrdn said its figure of around £62 was applied as a cash payment, for Mr A to replace the lost units he would've had if there wasn't a delay.

Abrdn said it delayed its calculation and didn't provide an explanation to Mr A about this. It said it also hadn't replied to Mr A or his adviser in quick time, So for these reasons it would increase its offer of compensation for distress and inconvenience to Mr A, from £100 already paid, to £400.

An investigator looked into Mr A's complaint. She concluded Abrdn hadn't acted fairly. She pointed to government guidance on ISA transfers. She said as this was a transfer from a stocks and shares ISA, Abrdn had 30 calendar days to complete the transfer, but she was also looking to see, based on what the parties said, whether Abrdn had caused a delay with what it did (or didn't) do. The investigator concluded Abrdn had at the latest to transfer Mr A's money by 19 November 2023, but she looked at what it did do to see if it delayed the transfer, at any stage.

The investigator concluded that Abrdn placed sales on the same day as the request so didn't delay things at that stage. She said Abrdn then said it settled the deals on 27 October 2023. She said this took too long and should have been settled much sooner, after 2 working days. She said the latest settlement date should have been 24 October 2023. She said working off what Abrdn said, she would then expect it to transfer the funds the following working day, 25 October 2023.

The investigator said Abrdn then commented on how long it took the third party to invest the funds. She said it was reasonable to conclude that Mr A's funds should have been reinvested on 8 November 2023, instead of the date when it was, 28 November 2023.

The investigator concluded Abrdn would need to compare the number of units that would've been bought if the cash was sent without delay and invested as she had described on 8 November 2023, against the number of units bought when the cash was actually invested. She said the offer made by Abrdn of £400 for distress and inconvenience was in line with what the service would recommend.

Mr A was not in agreement with the investigator's view. He said there were many differing opinions regarding dates – it would be simpler to compare his partners portfolio for the whole period with his. Abrdn should take a bigger view and consider it. He and his partner were

both invested in the same fund, so had his money remained invested, it would have increased, like his partner's did.

Mr A said his ISA was one of four accounts held in his investment wrap. He said the wrap overall took until 11 January 2024 to reduce down to £15.38.

Mr A said 24 November 2023 was a Friday and the third party invested his money into funds on 28 November 2023, just 2 working days later not 5, as have been suggested. He said to work out compensation, Abrdn should alternatively use the date of 3 November 2024, taking this into consideration.

Mr A said Abrdn's offer of £400 is missing a zero from this, due to the stressful days and countless hours writing messages and the constant worry.

Abrdn responded and also didn't agree with the investigator's view. It said when a client decides to sell their holdings, the cash has to be returned to the platform by the external fund manager. It said it was therefore reliant on the fund managers to act in a timely manner and each one can have a different settlement. It said it's not something it can control. It said in Mr A's case, the cash was returned to its platform on 27 October 2023. It provided a statement that showed this to be the case.

Abrdn said the first opportunity it had to send Mr A's cash was 30 October 2023, it said it thought 5 days from this point to act was reasonable, so it should have sent the money through BACS on 6 November 2023. It said using the same timeline for the third party to invest the cash, meant it correctly used 16 November 2023 as the date Mr A's money ought to have been invested. It felt it had carried out its calculation correctly.

As both parties disagreed with the investigator's view, she sent a second one, incorporating the views she had been provided with.

The investigator drew new findings. She felt after considering what was said, that Abrdn ought to have acted more promptly and transferred the funds over to the third party within three working days of receiving the cash on 30 October 2023. She said therefore by 2 November 2023.

The investigator took into consideration what Mr A's financial adviser said about how many working days it took for the third party to invest funds and said the date Mr A's money ought to have been invested by was 6 November 2023.

The investigator concluded Abrdn should use this new date and not 16 November 2023, as it has done up to now, to calculate any compensation due to Mr A. She said she still felt £400 award for distress and inconvenience was fair and in line with our services guidelines.

Abrdn responded and said it based its original calculation on the third party taking 2 working days to reinvest. It said the investigator agreed originally that 5 days was a reasonable period of time to send the cash and asked for the reason why this had changed. It said the dates it used in its calculation, would have put Mr A back in a position, where the transfer had taken place within the guidance of 30 days for an ISA transfer.

Mr A responded and said the losses he was looking to claim was not based on the performance of investments he held with his new provider but on the performance in percentage terms of his partners identical fund, that he was invested in before the transfer. He said applying the sum he had invested with Abrdn on 18 October 2023 to date, showed significant losses. He said his third-party account is irrelevant.

Mr A said he had in the past been used to Abrdn making transfers and taking around 10 days from request to cash showing in his bank. He expected the money to be in his account by 30 October 2023 so that his new provider could have his money invested by 1 November 2023. He repeated again that he wanted Abrdn to consider his way of compensating him by comparing to his partner's account. He said an exceptional mess required an exceptional solution.

I issued a provisional decision on this complaint on 11 December 2024. Both parties have received a copy of that provisional decision, but for completeness I include an extract from the decision below. I said;

"From the outset, it is worth mentioning that I am only dealing with Mr A's complaint in relation to his stocks and shares ISA account and the transfer of cash from it to a third-party stocks and shares ISA provider. I feel I need to clarify this, as Mr A also transferred funds from other accounts at the same time under an overall investment wrap with Abrdn.

So far, the complaint made by Mr A and his financial adviser, the responses back from Abrdn, the proposed compensation and submissions made from both parties have focussed on the ISA account and so the investigator also did the same. So, for this reason it is Mr A's ISA account transfer that I have looked into and decided on as well. If Mr A does have issues that he is not happy about regarding his other accounts within the investment wrap, he would need to address this with Abrdn in the first instance, and it will be treated as a separate complaint to this one.

The crux of Mr A's complaint about his ISA account as I see it, is that he thinks Abrdn delayed the transfer of his money here to a third party. He said by doing so, it meant the money he did have invested in his ISA was disinvested and he incurred investment losses because of this.

The issue in dispute is not whether Abrdn made a mistake or mistakes with Mr A's transfer request: it said it did. What is in dispute is when Abrdn ought to have transferred Mr A's money from his ISA to his new provider and then whether it did enough to compensate Mr A.

The parties agree that Mr A put in a request to transfer his ISA 20 October 2023. There has been some discussion about money appearing in the third-party account before this date, but I don't think any of this, changes the outcome of Mr A's complaint, so I haven't considered this any further. This is because the parties agree the transfer request was made on 20 October 2023.

Abrdn said it received the transfer request on 20 October 2023, and it ought to have transferred the money by 16 November 2023. It said it didn't transfer the money until 20 November 2023. It said it calculated that Mr A was no worse off, but it paid him around £62 for the funds he had gone on to invest in, that it calculated he was slightly worse off with. It then offered to pay £400 for the distress and inconvenience it had caused.

Mr A on the other hand said, after his transfer request on 20 October 2023, he was expecting the money to be transferred straight away. He has recently said he expected the money to be transferred within 10 days, a time frame he was used to Abrdn taking, so with the third party by 30 October 2023. He said if this had happened then the third party would have invested by 1 November 2023.

There has been much discussion about the different stages of this transfer. A time has been apportioned by one or both of the parties, with each stage being a contentious point

between them about when Abrdn ought to have or could have carried out tasks relating to the transfer.

I don't feel I need to draw any conclusions about the different stages of the transfer. Instead, I need to consider whether the date used by Abrdn to calculate Mr A's compensation, was fair and reasonable or not, and in all the circumstances of Mr A's complaint, I think it was.

I say this because the date Abrdn worked to when it calculated whether Mr A had incurred any investment losses was 16 November 2023. It received a request from Mr A on 20 October 2023. So, it worked out that it ought to have transferred Mr A's money, 27 working days after it received a request to do so from him.

I am aware that Government guidelines for transfers between stocks and shares ISAs state that it should take no longer than 30 calendar days to complete. So, with this in mind, I can see that Abrdn's revised date that it said it ought to have carried out the transfer, this being 16 November 2023, sat within this timeframe.

I also don't think any part of Abrdn's revised timetable, of when it said it ought to have carried out the transfer by, was unreasonable. I acknowledge and understand Mr A and his adviser's comments about when it could have carried out the transfer and why. But this is different from when it ought to have done it, and whether Abrdn's proposed timeframe was reasonable or not. I find on this occasion that that its proposed timeframe that it said it ought to have transferred the money by, to not be unreasonable in all the circumstances, based on what it has said in this regard and keeping in mind the government guideline for transfers like these.

In addition, based on the dates it has used and the calculations it has provided out service, I am currently minded to conclude that Abrdn's offer of compensation that I understand it has paid to Mr A, for the loss it calculated he incurred on some of the funds he went on to invest in, is a fair one.

I acknowledge Mr A won't be happy with the conclusion I have just made. This is because there is a significant gap between the loss Mr A feels he has incurred and what Abrdn has calculated to be his loss. Mr A's calculated loss that he worked out when he referred his complaint to our service was around £9460. Abrdn on the other hand paid him around £62. This is quite a significant difference.

Mr A has been clear about how he would like to be compensated: he wants Abrdn to calculate his ISA account as if he hadn't made the transfer, up to the point when it did make the transfer. He has used his partner's account as an example as she was invested in the same fund as him. He felt this was a simple way of resolving things.

I understand what Mr A is asking for, but it isn't a fair way to resolve his complaint. This is because he is asking Abrdn to not only compensate him for the delay it says it was responsible for, but also for his decision to liquidate the investment in his ISA that he held with Abrdn.

Mr A decided to sell his fund and transfer cash to a new provider, rather than keep his investment either with Abrdn or through an in-specie transfer, where he could have transferred his fund and keep 'in the market'. His decision to do this, meant he decided to disinvest and then look to other funds with his new provider. This is what he went on to do. So, it stands to reason that any calculation to work out if he had made investment losses should have been based on this.

Abrdn says it has made a mistake here by delaying the transfer and has offered to put things right. I would expect it to consider putting Mr A back into the position he would have been in but for its mistakes. I can see that it has tried to do this. In the circumstances of Mr A's complaint, he had decided to cash in his investment, and transfer the money, with a view to invest in different funds with his new provider. When the cash was transferred over, he did exactly that.

So, for Abrdn to put Mr A back into a position he would have been in but for the mistake it said it made, it needed to calculate how many units Mr A had got if he had invested sooner in his new funds, than he did. This was the approach it took when it calculated it was going to pay him £62 and I find no fault with that.

As an aside, I have seen the spreadsheet and its calculation. It shows that Mr A was actually around £875 better off overall but for the delay Abrdn said it made, as the prices he bought in at with his new investments were overall lower than when he would have done this but for its mistake, so he received more units. Abrdn though offered Mr A compensation for the small number of funds where this wasn't the case. Again, I cannot find fault with Abrdn for doing this.

The second part of Abrdn's offer of compensation is to do with distress and inconvenience. Abrdn paid £100 quite early on in Mr A's complaint. It has since revised this to £400. It said it offered this because it delayed sending its calculation to Mr A and hasn't explained properly how it arrived at around £62. It said it also hasn't always replied to Mr A or his financial adviser as quickly as it should have done. I understand why it has increased its offer, I do agree that it should have done a better job of explaining what was happening here and why it had offered the compensation that it did. By not doing this, it has caused Mr A prolonged periods of stress and so I think in the circumstances, it should pay this amount to Mr A. It is similar to the sort of award I would have made in the circumstances of Mr A's complaint and for the same reasons. I don't think Abrdn needs to do anything further here either.

Mr A said he was looking for a lot higher payment for distress and inconvenience but again, looking at the guidelines that our service uses to consider a fair and reasonable sum here, I think £400 is fair and reasonable for the stress Mr A has had to endure in this complaint, for the reasons I have given.

Finally, Mr A has mentioned a residual amount appearing in the ISA account after the substantive funds were transferred over to his new provider. I have looked at the account statement and can see what he is referring to. Abrdn has explained that this is in relation to a dividend that had been accrued by Mr A, that had been paid after the money was transferred over.

Abrdn said it explained what this was – a dividend payment, and that it would automatically transfer this over, during the year, when it carried out an automated exercise to do this. Again, I don't think Abrdn was wrong to do this or made any mistakes when it dealt with the dividend payment it received after the transfer took place.

I appreciate that my decision will be very disappointing for Mr A, and I acknowledge the strength of his feelings in the submissions provided. He has described how stressful this complaint has been for him to deal with and that he has had to deal with a health condition too. I empathise with him and am sorry to hear about this. But based on everything I have read and the findings I have given, I don't currently think Abrdn need to do anything more than it has already offered.

I am aware that Abrdn has paid £100 to Mr A and also applied around £62 to his account. So, if it hasn't paid this already to Mr A, it should pay him an additional £300, to make up to the £400 award for distress and inconvenience that I think is fair in the circumstances."

I asked both parties to let me have any comments, or additional evidence, in response to my provisional decision.

Abrdn didn't respond.

Mr A responded on 12 and 13 December 2024. He did not agree with the findings in my provisional decision and has explained why. His financial adviser also made some points as well. The points made are:

- Mr A said he was uncertain as to why his complaint became focused on his ISA within his investment wrap. He asked to move his entire wrap to another provider – not the ISA account only.
- He reiterated abrdn held his money for an unreasonable amount of time and offered compensation for its tardy actions. He said it hadn't offered enough to settle his complaint.
- He said abrdn claims it sent his proceeds to the third party on 20 November 2023, but this was wrong. It was 24 November 2023. He said, then a week later £798.70 appeared and it took until 10 January 2024 to transfer this over.
- He said abrdn has dragged its heels and argued about dates and when it did or didn't do things. He said it sat on his disinvested money. He again mentioned comparing with his partner's portfolio for an accurate assessment of losses across his whole wrap. He said it would tidy up the whole argument and put it to bed.
- Mr A's financial adviser added that given abrdn had admitted that it was at fault and took too long it doesn't seem that the HMRC rules about 30 working days to complete a transfer were relevant.
- The adviser said the pertinent question is more whether abrdn's calculations of lost growth were correct. He again, mentioned the Cambridge ethical balanced portfolio, that he said grew by about 2% in the period that the investigator suggested abrdn ought to have paid compensation for. He said this was in no way an exaggerated or unreasonable expectation seen as it was suggested by an investigator in my service.
- The adviser made a point about how long the cash was disinvested for and said it was unreasonable for cash to be sat there for such a long period of time, regardless of the 30-day window abrdn had according to the rules to make the transfer.
- Mr A then concluded by saying abrdn was quick to admit its service was poor. It should now admit it caused his losses and replace them. He said my decision was confusing, shocking, wrong, and unacceptable.

- Mr A then a day later added that he had calculated his losses, based on the performance of the Cambridge ethical balanced portfolio, to be £5272 for his ISA and £12,496.89 for his whole wrap.

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 have read Mr A's comments carefully and after doing so, I am not persuaded to change the findings I made in my provisional decision. I think Abrdn should pay Mr A £400 for the distress and inconvenience it has caused minus any payment it has already paid to him. It has already paid him £62 that it has calculated is his investment loss. I think this is fair and reasonable.

I will expand on my findings, in addition to what I have already said in my provisional decision. But the findings I have made in both, provide the reasons why I have made my decision regarding Mr A's complaint.

Again, I have only looked at the disinvestment and then transfer of money from Mr A's ISA account to the third party. I appreciate Mr A's comment that he is uncertain how this has come about and that the transfer was about all of his investment wrap. But I hope he can appreciate that at every stage up to this point, his stocks and shares ISA has been the subject of his complaint, was what was discussed by abrdn in its response to him and then what our service up to now has looked at. It would not be fair of me to introduce at this stage, findings about his other accounts, when abrdn hasn't included these in its response, given its stance or provided its documentation about them.

I reiterate what I have already said in my provisional decision, that after Mr A has received this final decision, if he then wants to make a complaint about his general investment account, and SIPP then he would need to do so with abrdn in the first instance. The merits of his complaint about the transfer of his stocks and shares ISA on the other hand, I will have decided on, and this won't be something he would be able to complain to our service about again.

Moving on to the crux of Mr A's complaint, whether he has been compensated enough for the mistakes abrdn said it made. Abrdn said it took too long to transfer the money to the third party and it offered compensation to Mr A. It paid him £62 for what it had calculated as investment losses. It then paid £100 for distress and inconvenience. It then increased its offer to £400, and so at this stage it hasn't yet paid Mr A, as I understand it, the additional £300 that it increased its offer by.

Mr A and his adviser have within their submissions, continued to put forward Mr A's case as to how long Abrdn delayed his money. But again, to repeat what I concluded in my provisional decision, I don't think I need to make any findings on what happened and how many days Abrdn took to carry out each stage of the transfer. This is because Abrdn has admitted and agreed that it took too long. Instead, what I need to consider again, is whether the amount it has paid Mr A and its rationale for using the dates it has to calculate Mr A's investment losses were fair and reasonable or not.

Although I do acknowledge again what has been said in response to my findings in the provisional decision, I don't think there have been any new points, arguments or evidence

submitted that I have needed to consider. So, with that in mind, I still think that abrdn's revised timetable, of when it said it ought to have carried out the transfer by was, on balance, and broadly speaking, reasonable. I don't think there was anything it said in terms of how long it suggested it ought to have taken at each stage, to be unreasonable, and I am aware that by following its timeframe that it said it ought to have followed, it would have completed the transfer within the HMRC guidelines.

In addition to this, I can see that it looked at the funds Mr A went onto invest in, to calculate if he had incurred any investment losses. This and not so much the dates used, is the crucial distinction between what Abrdn calculated Mr A's losses to be and what Mr A and his adviser think his losses were.

Mr A and his adviser have again raised the Cambridge ethical balanced portfolio, as the fund that should have been used as a comparison to calculate compensation. And Mr A has again raised that comparison should be taken against his partner's portfolio, who during this period was also invested in this fund. I repeat again, that to do so would be unfair on abrdn.

I say this because, to put things right, I would expect abrdn to put Mr A back in a position he would have been in but for its mistakes. To do this, I would expect abrdn to consider the counterfactual, that being what would have happened if abrdn hadn't made the mistake it said it did. When I do this, I am drawn to conclude that Mr A would have simply invested in the funds he went on to invest in, but sooner. So, I think abrdn are right to consider what did happen and then compare these investments to what should have happened, then calculate if Mr A had incurred a loss here.

So, in these circumstances, Mr A instructed abrdn to disinvest from the Cambridge ethical balanced portfolio, and transfer the proceeds to a third party, where, after the delay in question, he then went on to invest in a range of different funds. It would not be fair or reasonable for me to direct abrdn to put Mr A back in a position where he didn't make that investment decision to sell his Cambridge ethical balanced portfolio to cash, when he did. As I have concluded in my provisional decision, Mr A could have transferred his investment in the Cambridge ethical balanced portfolio fund to his new provider 'in specie' and remain invested, but he chose not to. He chose to disinvest to cash, so that he could then reinvest into new investments with his new provider.

Mr A has shown abrdn what he would have invested in sooner, the funds he went on to invest in. Abrdn has seen what these funds were and calculated the prices Mr A would have invested in if he had done so earlier. This is in line with what I would expect it to do, and I find no fault with what it has done, which is to put Mr A back in a position but for its mistakes.

In addition, I have seen the spreadsheet of its calculation, and I can see that Mr A is actually better off but for the delay abrdn caused. For most of the funds he went on to invest in, he received a more favourable buy in price. But abrdn decided to pay Mr A for any losses he may have incurred on any fund that it calculated he made a loss on, but for the delay it caused. This is where the £62 is accrued from.

Mr A has provided calculations that he has made – but again, these are in relation to a fund that he had instructed abrdn to sell, and I don't think are in any way representative of his losses, for the reasons I have given. I don't think on balance, that Mr A has incurred these losses. Mr A was actually better off but for the delay abrdn caused, based on abrdn

comparing the prices for the funds he did go on and invest in, to the prices he would have bought into these funds for, if he had received the money sooner.

Finally, I do need to mention the amount of £798.70 that Mr A said appeared a week after the substantive money was transferred over to the third party. Abrdn has explained what this was, a dividend payment. I also described what happened within my provisional decision – this being that abrdn had an automated system for dealing with dividend payments that are received after money has been transferred. It said its automated approach dealt with the payment and it transferred this over to the third party in January 2024. I again, don't think it has been unreasonable about how it has dealt with this, and I think it has been clear in its explanation as to why Mr A had a residual amount in his account and why this was transferred over at a later date.

In conclusion, I think the compensation offered to Mr A by abrdn is fair and reasonable. I don't think it needs to do anything further. As I have already said, Abrdn has paid £100 to Mr A and also applied around £62 to his account. So, if it hasn't paid this already to Mr A, it should pay him an additional £300, to make up to the £400 award for distress and inconvenience that I think is fair in the circumstances.

My final decision

My final decision is that Standard Life Savings Limited trading as Abrdn Wrap should pay Mr A £400 compensation for the distress and inconvenience it has caused, minus any payment it has already paid to him for this.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 27 January 2025.

Mark Richardson
Ombudsman