

The complaint

Mr P complains that abrdn Investments Limited ('abrdn') delayed his request to pay the proceeds of the closure of his Investment Trust Savings Plan ('ITSP').

What happened

In August 2023 abrdn wrote to Mr P to tell him the investment trust he held had been placed in liquidation. Mr P instructed abrdn that he wished to sell his investment and pay the proceeds to his personal account. There were a number of delays, and the sale didn't complete until 9 December, by which time the account had been transferred to another provider.

Mr P complained about the delay and said he believed he should receive compensation as abrdn held onto the funds from August until December. Abrdn apologised for the inconvenience caused by the delays and offered Mr P £100 to resolve the complaint.

Mr P brought the complaint to the Financial Ombudsman Service and one of our Investigators looked into things. Our Investigator thought abrdn should calculate the loss of interest on Mr P's withdrawal between 21 August and 9 December at 8% simple interest and pay this to Mr P. The Investigator thought that abrdn should also pay Mr P £150 for the inconvenience and frustration the delays caused.

Abrdn asked that an Ombudsman decides the complaint and it has been passed to me to consider.

I reached a significantly different outcome to that of our Investigator and issued a provisional decision saying that I intended asking abrdn Investments Limited to calculate the remedy it should pay Mr P in a different way. In my provisional decision I said:

"In this case there appears to have been three significant delays before Mr P's withdrawal completed. The first is abrdn's delay in dealing with Mr P's initial request received on 18 August, the second is the delay in abrdn receiving the documents it required, and the third is the delay when abrdn had received the documents and when it completed the withdrawal. I will deal with these delays in my decision as they at the crux of this complaint. I will also take into account that the withdrawal funds were sent to a new provider and not Mr P's personal account."

Initial withdrawal request and completion of the withdrawal

In its initial letter to Mr P, dated 14 August, abrdn said that should he wish to withdraw the proceeds, he should send a clear signed instruction, and that payment will ordinarily be made by cheque. If he wished to have the funds paid directly into his bank account, Mr P could include a voided cheque or a copy of a bank statement in order for abrdn to verify his bank details.

Abrdn accepts didn't take any action when it received Mr P's initial withdrawal instruction on 18 August. Instead, abrdn only began to process Mr P's instruction when it received his

second request on 7 October. When it processed the second request abrdn realised the document Mr P had sent didn't meet its anti-money laundering requirements and that it needed to obtain evidence of his identity. It then wrote to Mr P on 18 October to request further documents and when it didn't receive a response, it re-sent the request on 6 November. Abdrn received the documents it required from Mr P to complete the withdrawal on 22 November. The withdrawal completed on 9 December.

Mr P is upset and frustrated that abrdn's letter of 14 August implied a copy bank statement would be suitable for verification of his address. I intend saying that abrdn could've made it much clearer than it did that an internet copy of a bank statement wouldn't be acceptable. Regardless of this, abrdn wasn't able to complete the withdrawal because it hadn't been able to verify Mr P's identity.

Abdrn accepts that it caused some delays by not dealing with Mr P's first request but says it wouldn't be fair and reasonable for it to calculate any loss on interest Mr P suffered from 18 August. I don't intend asking abrdn to use 18 August as the date it should use to calculate the loss of interest Mr P suffered. Instead, I intend saying abrdn is responsible for the 50-day delay between when it received Mr P's instruction and when it told him it needed further identification documents to complete the withdrawal.

After receiving Mr P's documents on 22 November, abrdn accepts it was responsible for a further 16-day delay in completing the withdrawal. It says it didn't review Mr P's documents until 7 December and that this was due to a larger number of consumers electing to make similar withdrawals when it closed its ITSPs.

Taking into account the delays I think abrdn is responsible for, I intend asking it to pay Mr P a total of 66-days interest at a rate of 8% simple on the amount of the withdrawal that completed on 9 December. I think this a fair and reasonable way to calculate the cost of any delay to Mr P as it takes into account the delays caused by abrdn. But for these delays, I think it's more likely than not Mr P's withdrawal would have completed 66-days earlier than it did.

Delays in abrdn receiving documents from Mr P

Mr P says that he didn't know abrdn required additional documents from him until he received a letter dated 6 November. He feels this added to the delays and ultimately the losses he experienced.

Shortly after abrdn received Mr P's second withdrawal request on 7 October, it carried out the checks it was required to complete before it could release the funds. Unfortunately, as the checks weren't satisfactory, abrdn wrote to Mr P on 18 October asking for further evidence. When it didn't receive a response from Mr P, abrdn wrote again on 6 November. It received the documents it required on 22 November.

Mr P says he didn't receive the letter abrdn sent him on 18 October. That may be the case, but I've seen that the letter was correctly addressed, and it was the same as the address in the letter abrdn sent Mr P on 6 November – which he confirms he did receive. This delayed the planned withdrawal by several more days, but I intend saying it's more likely than not abrdn sent Mr P the 18 October letter and, for some reason it didn't arrive at his home address. Because of this I intend saying it would be unfair and unreasonable for me to decide abrdn is responsible for this delay.

But for the delays caused by abrdn, Mr P's withdrawal would more likely than not have been paid directly to him. However, Mr P was further inconvenienced because his account had been transferred to another provider by 9 December and the payment was sent to this

provider.

I intend asking abrdn to pay Mr P 66-days of simple interest at 8% on the amount of the withdrawal it completed on 9 December. And, to pay Mr P £150 for the upset and frustration the unnecessary delays in completing the withdrawal and the initial poor communication caused him."

In response to my provisional decision abrdn Investments Limited didn't provide any substantive comments. Mr P said he reluctantly accepted my provisional decision but commented I didn't fully recognise the abysmal poor customer service abrdn provided, at was disappointed that my outcome was significantly at odds with that of the Investigator.

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've decided to adopt my provisional decision as my final decision, but I will also address the comments received from Mr P.

Mr P is disappointed with my intended remedy of £150 for the upset and frustration the poor customer service provided by abrdn. I'm satisfied this remedy is in line with what we would consider reasonable. It recognises there were several errors and delays that required a reasonable effort from Mr P to sort out over a period of several weeks. But my decision also takes into account it's more likely than not abrdn posted an earlier letter to Mr P on 18 October, and I can't reasonably hold it responsible for the delay between when it sent this letter and when it received the documents it required on 22 November.

Mr P is disappointed that my outcome is different to that of the Investigator. My provisional decision explained that in my opinion there were delays abrdn was responsible for and delays that I can't hold them responsible for. To recognise this, I calculated the number of days I believed abrdn was responsible for. And, but for these delays, Mr P's withdrawal would have completed 66 days earlier. I remain satisfied it's fair and reasonable for abrdn to pay Mr P 66-days 8% simple interest on the amount of the withdrawal.

My final decision

I've decided that abrdn Investments Limited should pay Mr P 66-days of simple interest at 8% on the amount of the withdrawal it completed on 9 December. And, to pay Mr P £150 for the upset and frustration the unnecessary delays in completing the withdrawal and the initial poor communication caused him.

If abrdn Investments Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr P how much it's taken off. It should also give Mr P a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

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

Paul Lawton
Ombudsman