

The complaint

Mr P complains that Vanguard Investments UK, Ltd (“Vanguard”) provided poor communication when transferring his stocks and shares ISA away from it.

What happened

Mr P held a stocks and shares ISA with Vanguard which he requested to be transferred away from it. Mr P was unhappy with delays in the transfer, and he says he tried contacting Vanguard on several occasions with no avail.

He complained to Vanguard as he said he was frustrated with the wait times when calling it and having waited as long as 45 minutes, he was told by Vanguard that it was unable to see what progress was being made with the transfer. He says he was then advised to use Vanguard’s secure messaging service, but this led to further frustration as the website would timeout before he finished writing his message – despite answering yes to the timeout message he received. He says he would be kept logged in after answering this, but his composed message was immediately lost.

Vanguard considered Mr P’s complaint and compensated him for financial loss suffered by the delays in the transfer, which Mr P has accepted. However, Mr P was unhappy that Vanguard only offered £25 for the distress and inconvenience caused from the many attempts he made to find out the progress of his transfer. Vanguard explained that for the safety and security of its clients, its website is designed to log a client out after three minutes. It said this feature helps to prevent fraudulent activity as it ensures that no one can gain access to a client’s account should their device be left unattended or stolen for example. Vanguard suggested that Mr P type his message out in a word document beforehand then copy and paste the message to the secure message box to ensure his progress is not lost.

As Mr P remained unhappy with Vanguard’s response, so he referred his complaint to this service for an independent review.

One of our investigators considered Mr P’s complaint and viewed it using only Mr P’s testimony as Vanguard failed to provide our service with its file. They said they could understand Mr P’s frustration given the lack of communication and the inability to use Vanguard’s secure messaging service. As such, they felt Vanguard should increase the distress and inconvenience payment to £200.

Mr P accepted the investigator’s findings, but Vanguard didn’t respond. As such, the complaint 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 received the complaint, I wrote to Vanguard to give it a further opportunity to provide

this service with its file, but it failed to do so. As such, I must make my finding based on the information provided to me which is limited to Mr P's testimony and Vanguard's final response letter.

I understand Vanguard has explained why its secure messaging service has a timeout facility for security purposes, and I appreciate it put forward a workaround by suggesting Mr P first write out his message in a separate document before trying to send his messages. It's not this service's role to instruct a financial firm to change or improve its secure messaging service. But we can look at the impact the overall communication has had on an individual. In this case, I think Mr P has received a poor service as he says he has tried on multiple occasions to contact Vanguard, firstly over the phone only to face delays speaking with it. He also says that once he was finally able to get through to Vanguard on the phone, he was told that it was unable to provide any progress on the transfer. And so I can understand why this caused Mr P some frustration during a time when he was concerned about how long his stocks and shares ISA was taking. Despite being asked for a record of this call; Vanguard hasn't provided this or any internal notes to show what was discussed and so I must make my finding on the information provided by Mr P. As such, I agree with the investigator that Vanguard should increase its offer of £25 to £200 to fully compensate Mr P for the distress and inconvenience caused.

Putting things right

Vanguard should pay Mr P £200 for the distress and inconvenience caused. If Vanguard has already paid the £25 offered to Mr P in its final response letter, then it can deduct this from the overall award.

My final decision

My final decision is that I uphold this complaint and direct Vanguard Investments UK, Ltd to pay Mr P compensation as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 25 March 2025.

Ben Waites
Ombudsman