

The complaint

Mr G complains that Evelyn Partners Investment Management Services Limited trading as Bestinvest ('Bestinvest') have received adviser fees from a platform provider but have never provided an advisory service to him.

What happened

Mr G has a Self-Directed Investment Service (SDIS) account with Bestinvest, and his investments are made through a platform provider I will call company F.

Company F have been paying Bestinvest a monthly fee. This is referred to on company F's statements as an adviser fee and is paid for by selling units in Mr G's funds. When Bestinvest told Mr G that they intended to close the service he complained they haven't provided him with any advice but had been receiving a fee from company F. Mr G asked that they compensate him for the impact this had on his fund value.

Bestinvest didn't uphold Mr G's complaint. They say that when he initially took out the self-directed service, he'd agreed that Bestinvest, as his broker, would receive a commission from company F. Bestinvest explained that over the years the payment changed from being a commission to being a service fee to cover the cost of the service they provided to consumers. Bestinvest apologised that one of its agents had incorrectly told Mr G that he should complain to company F about the payments.

Mr G brought the complaint to the Financial Ombudsman Service and one of our Investigators looked into things. The Investigator thought Bestinvest hadn't done anything significantly wrong. Mr G asked that an Ombudsman decides the complaint and it has been passed to me to consider.

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.

Bestinvest do not consent to the Financial Ombudsman Service considering any charges applied before March 2018. I understand the point they raise here, but I feel I should clarify our approach in this regard. Each new charge is a new event, and we can consider these as long as Mr G raised his complaint within six-years of each new event. There are specific rules set by the Financial Conduct Authority (FCA), in this case DISP 2.8.2, that says a consumer cannot refer a complaint to our service:

- more than six years from the event date complained of, or if later;
- more than three years from when the complainant became aware, or ought to have been aware, of cause for complaint;
- unless there are exceptional circumstances.

I've decided we can only consider Mr G's complaint about charges paid by company F to Bestinvest in the six-years preceding 20 June 2024 – the date he complained about them.

Although I've decided we can only consider Mr G's complaints about events in the six-years preceding 20 June 2024, it will be useful for me to provide some background to the complaint. Mr G says he opened SDIS account with Bestinvest in 2010. Neither Mr G nor Bestinvest have been able to provide me with details of the account Mr G opened and when he opened it. However, I'm satisfied that this information doesn't have any significant impact on my ability to issue a fair and reasonable decision. Bestinvest has provided a narrative about what is likely to have been included in the documents Mr G would have received when he opened his account. Taking into account what was the industry standard at this time, I'm persuaded that Mr G would have been told that Bestinvest – as his broker – would receive commission from the charges company F applied to the account each month.

In 2015 Bestinvest wrote to their clients to explain that the way they would receive their fee was changing. Although Bestinvest haven't been able to provide me with the letter it sent to Mr G, they have provided a copy of the terms and conditions, and key facts document they sent it. These explained the service Bestinvest provided to Mr G, the specific charges for the service, and how Bestinvest were paid. The key facts document says:

“b) Charges specific to the service

i) Bestinvest Self Directed Investment Service – custody provided by Third Party Platforms

We charge an annual flat fee of 0.45% each year based on the average daily value of all assets in your account, excluding cash. Fees accrue daily, are calculated using the day end closing value and are levied monthly in arrears.

• By way of illustration, on a £100,000 investment in the Bestinvest Self-Directed Service on a Third Party Platform the fee would be calculated as follows:

- £100,000 at 0.45% = £450 per annum.

The Third Party Platform will also charge you other fees directly for the provision of their services; please refer to their Terms and Conditions and other account opening documentation for further information.”

These documents also make it clear the Bestinvest SDIS is a non-advice service, but that as part of the service Bestinvest provide research, information about investments and tools to make it easier for Mr G to make his own investment decisions. Bestinvest hasn't been able to provide an acceptance of the new charging structure signed by Mr G but explains it doesn't have this record on file because of the time that has passed. By continuing to invest in this service, I'm persuaded it's more likely than not Mr G agreed to the new terms.

Bestinvest changed their charging structure again in 2018 and wrote to Mr G to advise him. They also provided him with an option to change the service he was using to Bestinvest's Online Investment Service platform where the total servicing cost could be lower. Bestinvest also told Mr G he could end the service agreement he had with 30-days' notice.

In 2024, Bestinvest wrote to Mr G and told him that they were closing their SDIS. They explained, *“Over the years since this service was launched, we have invested heavily in our own Online Investment Service and have reached a point where we do not feel it is in client's' best interest to retain and pay fees to both {company F} and Bestinvest.”* The same letter explained Mr G could transfer his investments to Bestinvest Online.

From 2015, company F hasn't paid Bestinvest any commission. Instead, they have deducted a specific amount from Mr G's funds to pay for the Bestinvest SDIS. It's not the role of the Financial Ombudsman Service to tell a business what services they should offer and what they can charge for the service. But I can consider whether the information Bestinvest provided Mr G was misleading or unfair. I appreciate that Mr G may not have completed many transactions with Bestinvest since 2018, and he may not have used the full service Bestinvest provides, but they made it clear what their charges were for and how they were paid.

Mr G believes that for a number of years now it hasn't been in his best interest to pay Bestinvest charges alongside those of company F. However, I've decided Bestinvest haven't treated him unfairly in this regard. They have always been clear the SDIS is paid for from the fee they received from company F. The documents I've referred to earlier in my decision – from 2015 – explain what this charge is for; *"You will not receive personal investment advice based on your circumstances as part of this service. We provide research, information about investments and tools to make it easier for you to make your own investment decisions. If you are unsure about the suitability of an investment please contact us to ask about our advisory services."* And the letter Bestinvest sent Mr G in March 2018 also gave a reasonably clear explanation of how the cost of providing the SDIS was paid for. More specifically it explained what the costs would be and provided Mr G with an option to use a different service or to end the agreement. In my opinion, this is an important consideration as it gave Mr G another opportunity to review whether the service Bestinvest provided, and the cost of this service, still met his needs.

Taking into account the circumstances of this case, I'm satisfied Bestinvest didn't treat Mr G unfairly. They provided him with sufficient information about his SDIS account for him to make an informed decision as to whether it remained suitable for his investment needs. Bestinvest have apologised to Mr G that he was told to contact company F about the charges on his SDIS account, and that was a reasonable resolution to the complaint.

My final decision

For the above reasons I've decided Evelyn Partners Investment Management Services Limited trading as Bestinvest didn't do anything significantly wrong and I won't be asking them to do anything else.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 21 July 2025.

Paul Lawton
Ombudsman