

The complaint

Mr K complained that abrdn Investment Management Limited (abrdn) did not allow him to sell a proportion the funds he held within his self-invested personal pension (SIPP) into cash and hold it there. Instead, it asked for instructions from his financial adviser (FA).

Mr K would like abrdn to allow him to change the funds within his pension without recourse to his FA.

What happened

I have reviewed all the evidence provided by both parties. I have not reproduced all of this in this decision but concentrated on what I believe to be the most relevant parts.

Mr K took out a SIPP with abrdn on 16 September 2009. The SIPP was designed to be managed by a customer with the assistance of an FA. At that time, Mr K was working and regulated as an FA and was able to take out the SIPP acting on his own behalf.

The Client Terms and Conditions of the SIPP provided to Mr K at the time included the following:

The services we provide offer you online access via your financial adviser to services and investment products provided by us and other companies.

A SIPP confirmation schedule was sent to Mr K on 16/10/2009. In the Frequently Asked Questions section it included the following:

By agreeing to the Wrap Client Terms and Conditions you agreed that you would supply the information necessary to submit online applications to us through your financial adviser and you gave us authority to accept instructions from your financial adviser.

Mr K contacted abrdn on 1 October 2024 to place an order to sell some specified funds within his SIPP and hold the proceeds as a cash balance in his pension. During this call, abrdn informed Mr K that it could not act on his instructions, but only on those of his FA. Unhappy with this, Mr K asked to speak to a manager, but none was available.

abrdn told Mr K that a manager would ring him back to discuss the situation within 48 hours, but he did not receive a call. Mr K then called abrdn again on 8 October 2024 and was again told that it could not process the request he had made. Mr K mentioned that he had made a tax-free cash withdrawal on 12 March 2024 without the aid of his FA. Unhappy with the situation Mr K raised a complaint.

abrdn investigated Mr K's complaint and responded on 12 November 2024. It did not uphold his complaint in respect of not acting upon his instructions but upheld it and apologised in respect of him not receiving a call from a manager, as he had been promised. It offered him £100 in respect of the distress and inconvenience this had caused him.

It said:

I have attached a copy of the confirmation schedule issued to you in 2009 when the SIPP was set up. The schedule confirms that we will only accept requests from the Financial Adviser attached to your plan.

It went on to explain that he had been able to make a tax-free cash drawdown request as:

once we had received an initial request from a Financial Adviser for a drawdown or tax-free cash withdrawal, we could subsequently accept similar instructions directly from clients, however, we were unable to process a trade request directly from clients.

abrdn said it would accept Mr K's instructions if he had no FA. It said:

The only way we will allow this is for you to instruct the removal of the Adviser Firm from your plan and you would then become a non-advised client. I do appreciate that this is not something you wish to pursue and I do sympathise with your circumstances and reasoning, however, I am unable to offer any other solution.

Unhappy with this response, Mr K brought his complaint to this service. Our investigator reviewed all the evidence provided by both Mr K and abrdn, before forming the view abrdn had not treated him unfairly in not allowing him to provide it with dealing instructions himself, rather than instructing his FA to act on his behalf.

Mr K remained unhappy and so the complaint has been passed to me to make a final decision.

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 done so, I have decided to uphold Mr K's complaint, but only in respect of the poor service abrdn provided Mr K in him not receiving a call from a manager to explain the situation. On the more substantive issue of whether abrdn should respond directly to Mr K's dealing instructions, I do not find that it has done anything wrong here.

I can appreciate this will be disappointing to Mr K, so I will explain now how I have reached my conclusions.

Firstly, I think it's important to reflect upon the role of this Service. Our role is to impartially review the circumstances of a complaint and make a decision on whether a business has made errors or treated a customer unfairly. Where it has, we expect a business to fairly compensate a customer for any financial loss and distress and inconvenience they have suffered as a result.

In the circumstances of this complaint, I can see that Mr K believes that abrdn should accept dealing instructions directly from him, without him having to instruct his FA to do this on his behalf. I can fully understand why he may feel that way, but I will try now to explain why I don't think that is the case.

I've read the Client Terms and Conditions of the account and the confirmation schedule issued to Mr K when he took out the policy in 2009. It seems clear to me from these documents that this policy is designed to be operated by an FA, acting on the instructions of their client.

I've considered that Mr K acted as his own FA when he originally took out the policy, but since he no longer works in this capacity, he has subsequently appointed a different FA. Under the terms of the policy, I find it fair and reasonable that abrdn now look to that FA for instruction, rather than from Mr K himself.

I've also considered Mr K's observation that it seems illogical that abrdn allows him to issue a direct instruction to sell his funds and remit the proceeds to him outside of the SIPP, but not to hold the cash within his SIPP wrapper.

In an email the day after the response to Mr K's complaint, abrdn wrote again to Mr K to address this point more directly. It said:

I appreciate your thoughts regarding being allowed to request a drawdown payment (which naturally, also involves partial fund sells) however, independent fund sells are a trading request and as such, we can only accept this from the Financial Adviser on your plan. As the platform is an adviser-led proposition, these limitations are in place to protect clients, as the Regulated Adviser on the plan will, in conjunction with their client, decide on the investment strategy.

As I mentioned earlier, I think it's clear that this particular SIPP product was designed to be operated by a customer together with an FA. This was a business decision made by abrdn and this service cannot dictate to any business which customers it chooses to work with, provided that it abides by all relevant laws and regulations.

Consequently, I am satisfied that abrdn have not treated Mr K unfairly in this respect. Where it did make a mistake was in not ensuring that Mr K received a call from a manager to explain its position, as he had been promised. I consider that abrdn's offer of £100 in respect of Mr K's distress and inconvenience to be appropriate in the circumstances of this complaint.

Putting things right

abrdn should pay Mr K the sum of £100 in respect of the distress and inconvenience its mistake has caused him.

My final decision

For the reasons given above, I uphold Mr K's complaint.

abrdn Investment Management Limited should pay Mr K the sum of £100 to resolve this complaint if it has not already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 26 September 2025.

Bill Catchpole
Ombudsman