

The complaint

Mr and Mrs S complain about Scottish Widows Unit Trust Managers Limited (SW). They're unhappy with the level of service they received when Mrs S was attempting to transfer some shares to Mr S and then encash them.

What happened

Mrs S contacted SW in September 2023 as she was looking to transfer some shares she held to her husband. She had a discussion with them about the process that needed to be followed and asked them to send her five transfer forms. She chased SW a few weeks later and complained as she hadn't received the forms.

She eventually received a letter from SW in early October which only contained one form and then a letter upholding her complaint and offering her £300 in compensation for the inconvenience she'd suffered. The letter also said that SW would consider paying 8% interest to compensate her for any delays in completing the transfer.

Mrs S accepted the offer, but there were further issues as SW told her they couldn't find her account. She responded to SW and pointed out that their customer reference contained her account number. SW then wrote to her in November and said they were looking into the complaint she'd raised and would be in touch once they'd completed their investigation.

Mrs S had to chase SW again in January 2024 as she hadn't had any contact from them. She provided them with bank details they'd requested and later chased them a couple of weeks later for the transfer forms which she still hadn't received. She eventually received the forms in early February which she completed and returned to SW. However, she was then told after another couple of weeks that Mr S needed to complete FATCA forms relating to his tax status.

The shares were eventually transferred and sold on 19 March 2024 and Mrs S raised another complaint with SW about the difficulties she'd faced in trying to transfer the shares. SW upheld the complaint and paid her £300 in compensation for the inconvenience they'd caused her and £57 for the cost of phone calls she'd had to make.

The proceeds of the sale weren't settled until 14 May due to issues with verifying Mr S. Mrs S got back in touch with SW to raise concerns that the payments for inconvenience had been paid to a bank account that she hadn't shared with them. She also asked them to honour the previous agreement they'd made to pay interest at a rate of 8% because of the delays in transferring the shares and then selling them.

After further correspondence, SW agreed to pay 8% interest but then withdrew this offer as they thought that Mrs S hadn't been deprived of her funds. They thought that they'd made the transfer once they'd received all the correct documentation and were of the opinion that the £657 they'd paid her for the inconvenience she'd suffered was sufficient.

Mrs S didn't agree and asked for our help with the matter. Before the complaint was considered by one of our investigators, SW made an offer to pay Mrs S an additional £300 in

compensation which she rejected. The investigator looked into Mrs S' concerns and noted that because of the delays, Mrs S had benefitted from an increased share price. This meant the sum she'd received from the sale of the shares was more than what she would've done if SW had paid her 8% interest over the time that the transaction had been delayed. The investigator also thought the total offer of £957 for the inconvenience Mrs S had suffered was fair and reasonable.

Mrs S didn't agree with the investigator's findings. She explained that the reason behind selling the shares was to provide funds for her son. He wanted to reduce his outgoings by purchasing a flat and taking a lodger which would enable him to change careers to a less stressful role. The delays had meant he'd had to continue in his very stressful job, and he'd been hospitalised twice due to the pressures of the role. Since the transaction had been settled, he'd been able to put an offer on a flat which had been accepted.

The fact that the delay meant that more money was received from the sale was irrelevant as her son's health had not benefited. If SW had acted professionally then he would have been in his own flat and in a less stressful job months ago. The offer of 8% interest that SW had made wasn't conditional and they needed to honour it.

She also disagreed with how the investigator had calculated that she was better off than if she'd sold the shares in October 2023. This was because she couldn't have sold them then as she had to wait for SW to issue transfer forms and then FATCA forms.

The investigator wasn't persuaded to change his opinion, so 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.

SW have accepted that their actions caused the transfer and sale of the shares to be delayed so my role here is to determine if the redress they've offered is fair and reasonable. With that in mind I've considered the offer they made to Mrs S.

It may firstly be helpful if I explain this service's approach to Mrs S. Broadly speaking our role is to put consumers back in the position they should've been in, if any errors hadn't occurred. The error that occurred in this specific set of circumstances is that the transfer and sale of the shares was delayed. In order to put things right, I need to consider any financial loss and the distress and inconvenience caused by the error.

What has been established is that there is no financial loss as the eventual price that was received was higher than it would have been if the transfer and share had taken place earlier than it did. I've noted Mrs S comments rejecting the use of October as the starting point for any calculations as she would've experienced further delays from this point onwards due to having to wait for further forms and also for Mr S to be verified.

I accept it is difficult to determine exactly when the starting point for any calculation should be. In a scenario such as this we would use the point where we think a firm should reasonably have completed the transaction. It is clear that SW took a very long time to provide all the forms required for the transfer and sale and to verify Mr S. However, this doesn't represent an acceptable level of service. They should have provided all the forms and completed the verification in a much more timely manner than they did.

Based on the information SW have provided noting their SLAs, I'm satisfied that if the

transfer forms had been sent on 22 September as they should have been, then the entire process could have been completed by 17 October. As the calculation shows that a higher sum was received when the shares were sold in May 2024 than what would have been received if the shares were sold on 17 October plus 8% interest, then I'm satisfied that there is no financial loss. As there has been no financial loss, then I can't fairly say that SW need to offer compensation for this aspect of the complaint as Mr and Mrs S are in better position than they would have been, if the errors hadn't occurred.

I note the points Mrs S has raised regarding SW withdrawing their offer. Having reviewed the offer, I can see that they said that they would "*consider*" paying delayed interest once the transaction had settled. I don't think this represents a binding offer where they provided a guarantee that they would pay interest. From what I've seen, they have considered if an interest award was appropriate but given that there was no financial loss, they decided against paying extra interest. I don't think this is unreasonable and I won't be asking them to make a further payment as the amount Mr S eventually received was higher than what he would've done if an interest payment was made.

The other point to consider is the inconvenience Mrs S has suffered. I'm very sorry to hear of the challenging circumstances her son has faced and the impact that the delay has had on him. However, I've been unable to make an award directly to her son as he isn't the complainant in this case. Instead, I must consider the impact on Mrs S, and from what I've seen, the impact on her has been substantial.

She's had to spend a significant amount of time trying to resolve the issue. And her son being hospitalised twice would undoubtedly have had a significant impact on her. This could have been prevented if the transaction had taken place in a timely manner. But having considered everything, I think SW's offer of £957 is fair and reasonable and in line with what I would've awarded had they not made an offer.

So, in summary, I don't think SW need to pay any extra interest because of the delays they caused, but they do need to pay £957 in compensation to Mrs S for the inconvenience and distress she's suffered.

My final decision

For the reasons I've given above, I uphold this complaint. Scottish Widows Unit Trust Managers Limited need to pay Mrs S a total of £957 as compensation, if they haven't done so already, for the distress and inconvenience they've caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 22 April 2025.

Marc Purnell
Ombudsman