DRN-5449396

The complaint

Ms C complains that Close Asset Management Limited trading as Close Brothers Asset Management (CBAM) failed to re-invest the maturity value of a one-year fixed term deposit appropriately. She also complains that CBAM hasn't provided the expected service over the past three years.

Ms C would like CBAM to pay her redress for the financial losses she feels she's suffered. She'd also like it to refund the ongoing advice fees she's paid it over the last three years. And compensation for the distress and inconvenience caused.

What happened

Ms C used CBAM as her financial advisers. I understand that in 2020, she disinvested £50,000 within her Self-Invested Personal Pension (SIPP). And then withdrew £10,000, investing the remaining £40,000 in a one-year Fixed Term Deposit (FTD) offered by Close Treasury.

Then in 2021, after her FTD matured, she withdrew a further £10,000 from her SIPP. And then invested the remaining £29,425 into a new FTD offered by Close Treasury, which would mature on 2 November 2022.

On 8 July 2022, Ms C emailed CBAM to ask it if it could email her a copy of the June report so she could review it before meeting her adviser on 11 July 2022.

On 25 July 2022, Ms C emailed CBAM about her review meeting. She expressed her frustration at having no paperwork to consider at the last meeting. She acknowledged that this was due to circumstances outside her adviser's control. She said she didn't feel that the meeting had amounted to an annual portfolio review. So she asked CBAM to send her the full review package in hard copy so she could go through it. And then to re-schedule a further meeting for around the end of August 2022. Ms C also asked CBAM to prepare performance and fee information for her SIPP/ISAs against a comparable industry benchmark.

On 1 September 2022, CBAM issued a financial planning report to Ms C with a fund switch recommendation to rebalance the investment strategy in her SIPP and ISA.

CBAM wrote to Ms C on 19 October 2022 about the maturity of her FTD. The letter stated:

If you have already informed us of your instructions for the maturity proceeds, either in writing or with your Financial Planner, then you need to take no further action.

If we have not received your instructions before the maturity date, the principal investment will be held in cash within your account and will remain there until you advise us otherwise. Any interest received from the Fixed Term Deposit will be paid to your nominated bank account.

Please note that the gross interest rate on all cash balances will be calculated as the daily

Bank of England base rate minus 0.4%, subject to a minimum of 0%.

Ms C wrote to CBAM on 29 November 2022 about the 19 October 2022 letter. She said she hadn't heard anything from it about what had happened to her funds. And asked it to clarify the position. She also asked CBAM to clarify the service level she could expect to receive from it under her current arrangement with it.

Ms C chased for a response on 23 December 2022.

On 5 January 2023, CBAM emailed Ms C to arrange a meeting for her partner's pension. Ms C replied the same day to ask it to send her latest quarterly summary, which she wanted to have before the next meeting. A meeting was then arranged for 13 January 2023.

Ms C chased CBAM for the quarterly summary on 12 January 2023. It replied the same day to say that the quarterly valuation hadn't yet been finalised. But it attached a current portfolio valuation. On receipt of that Ms C also asked CBAM to bring a note of the current values of her other non-SIPP pension policies to the meeting the following day.

CBAM visited Ms C's partner at their home on 13 January 2023.

CBAM emailed Ms C on 16 January 2023 to tell her that it had yet to receive the current FTD rates available within her SIPP. It said it was chasing this up. It then wrote to her on 23 January 2023 to tell her that the reason it hadn't received the usual weekly update on FTD rates was that there were none currently available. It said a review of deposit rates available to SIPP clients was being undertaken, and the existing rates had been withdrawn pending the completion of that review. It said it would update Ms C when it knew more.

Ms C replied the same day to thank CBAM for confirming the position. She said she'd been quite concerned that she'd heard nothing since the meeting. And asked what this meant for the maturity funds that she felt had been earning nothing since the start of November 2022.

Ms C complained to CBAM on 4 February 2024. She felt that her financial adviser had failed to invest the maturing funds from her FTD appropriately. And that she'd generally received a poor service over the past three years.

I understand that CBAM stopped charging the advice fee after February 2024.

On 10 March 2023, Ms C emailed CBAM to say she wasn't clear what service she was paying for. She asked it to note what she'd paid over the last year in charges in her SIPP, breaking down that figure between advice fees, platform fees and fund management fees. She also asked what had happened about her cash on deposit.

On 22 March 2023, CBAM replied to Ms C's fee query. It said that FTDs were still not available through her SIPP, but that it'd instead arranged to make a number of money market funds available. It said that if Ms C was happy to hold that type of fund, it could arrange for her monies to be moved into an appropriate fund. It said it could then consider making good any potential loss.

Ms C brought her complaint to this service in May 2024. As well as the complaint points she'd raised with CBAM, she felt that it'd failed to respond to her complaint in a timely fashion. She said she'd suffered both financial loss and considerable anxiety and irritation.

CBAM issued its final response to the complaint on 12 June 2024. It said that FTDs were never reinstated and were no longer available within Ms C's SIPP, so a reinvestment of the £29,425 into a new FTD hadn't been possible. It said it understood that Ms C didn't want to reinvest the funds into the market due to concerns over volatility and because the funds were earmarked for future short-term withdrawals. It therefore felt that there was no other option but to leave the money in cash within the SIPP, earning interest.

CBAM said that between 18 September 2022 and 31 January 2023, no interest was being paid to clients. But from 1 February 2023 until the date Ms C had transferred her investments away, the maturity proceeds had accrued £597.30 in interest.

CBAM acknowledged that it hadn't communicated well with Ms C, as it hadn't discussed the situation with her and hadn't kept her fully informed of what had happened. It apologised and offered her £150 compensation for the distress and inconvenience this had caused.

CBAM noted that Ms C felt that she'd contacted her adviser a number of times by email, but hadn't received a timely response. It said there'd been an issue with the email functionality on the adviser's phone which had affected outbound emails, some of which hadn't been successfully delivered. It apologised for this.

Ms C still felt she'd suffered a financial loss. She didn't accept the £150 CBAM had offered in compensation.

Our investigator asked CBAM for further information as she wanted it to demonstrate that it had provided the service Ms C's fees had covered. It provided copies of Financial Planning Questionnaires from 2020, 2021 and 2022 and Suitability Reports which it felt evidenced the annual review meetings it'd held in 2020, 2021 (two meetings) and 2022. It also provided a copy of the annual reassessment of suitability letter from 2023.

Our investigator also noted that Ms C had mentioned that she'd only just realised that she did get a reply to some of her queries in CBAM's 22 March 2023 email. Ms C said she hadn't replied to that email. She said she'd only taken in the first half about the fees she'd asked about. And hadn't noticed the second half of the email about possible investment options for the matured funds.

Our investigator felt that the complaint should be upheld. She felt that CBAM had failed to reinvest the maturity proceeds of the FTD. She acknowledged that a reinvestment of the £29,425 into a new FTD hadn't been possible within the SIPP. But felt that Ms C had intended to reinvest the £29,425 on maturity as she'd done in previous years. And that she'd chased CBAM about the FTD before being told on 13 January 2023 that her adviser was waiting for clarification of whether a suitable FTD would be available. And that once that was known: "*we could talk about compensation for the money not having been on deposit since 2 November 2022*". Our investigator felt that CBAM had offered Ms C £597.30 interest as compensation in its final response letter, but that it hadn't explained what interest rate it'd used.

Our investigator felt that Ms C had intended to invest the matured funds into another FTD. And as this wasn't available from CBAM, she felt it was likely that Ms C would've gone elsewhere. To put things right, she felt CBAM should work out what Ms C's funds would've been worth at the point she transferred it away if it'd been invested in line with the average rate for fixed rate bonds, and then compare this with what it was actually worth. If there was a loss, it should pay Ms C the difference, with interest at 8% simple from the date Ms C had transferred away from CBAM to the date of settlement.

Our investigator felt that CBAM hadn't provided Ms C with the agreed service in 2021 and 2023. She felt the main feature of the ongoing advice service was the annual review meeting. And while she was satisfied that Ms C had received the correct ongoing service in May 2020 and July 2022, she felt that there was no evidence of a review in 2021. She also felt that a review hadn't taken place in 2023 because CBAM had assumed that Ms C had declined it, despite her not confirming this position. She felt that even if CBAM had invited Ms C for reviews in 2021 and 2023 and she'd declined them, it wouldn't be fair and reasonable for CBAM to apply a charge for a service that wasn't provided. She therefore felt that CBAM should put Ms C back into the position she would've been in if it'd never taken the ongoing service fees in 2021 and 2023.

Our investigator acknowledged that CBAM had offered Ms C £150 compensation in recognition of the impact its poor communication had had. She felt that CBAM had failed to provide timely responses to Ms C's e-mails at times, noting the evidence showed this had happened in November 2022 and January/March 2023. She also noted Ms C's reference to missing paperwork at a meeting. And the stress and inconvenience this had all caused Ms C. She felt that CBAM should increase the compensation it'd offered by £100 to £250.

CBAM didn't agree with our investigator. It felt she also needed to consider the fact that Ms C had an objective to keep money aside for future short-term withdrawals. And that if she'd invested in an FTD she wouldn't have been able to fully benefit from the interest that an FTD would accrue if she'd needed to make a withdrawal. It also noted that the £597.30 interest it'd referred to in its final response letter was the interest that had accrued on Ms C's account whilst it remained with CBAM, not an offer of compensation. It felt this showed that she was earning interest on her money even though it wasn't reinvested into an FTD.

CBAM also said that Ms C's maturity proceeds had been left in cash as the money was earmarked for withdrawal and there were no FTD offerings. It felt it shouldn't be penalised for a commercial decision Close Savings had been entitled to make. It didn't agree with our investigator that Ms C would've transferred elsewhere to access an FTD. It said she knew about the maturity but had never looked to transfer the funds into an FTD elsewhere.

CBAM said it had provided an annual review in 2021. It said this review had ultimately led to an FTD being applied for in October 2021. It also said that Ms C had declined the 2023 review. It said Ms C's adviser had said: "*On contacting [Ms C's partner and Ms C] to arrange their 2023 review, [Ms C's partner] accepted the offer of the review but advised me that [Ms C] did not want to meet me. Following this, we issued the declined review letter (on 25/09/23). [Ms C] contacted me to ask if we would be re-balancing her portfolio, without a review meeting, and I requested research on her portfolio via my paraplanner to start this process. [Ms C's partner] then told me that [Ms C] was seeking advice elsewhere and we subsequently received an LOA from [name of adviser] followed by instructions to transfer her portfolio to [name of platform]*".

CBAM said that after Ms C had declined the 2023 review, it'd confirmed with her that it would continue to manage her assets assuming no change to her personal circumstances. It therefore felt it'd continued to provide Ms C with a service, even though she'd declined a review meeting. CBAM also said that it'd closely followed the FCA's views on annual reviews and the associated price and value considerations when a review meeting is not delivered, and that it hadn't seen any FCA guidance which suggested firms should refund annual review fees for reviews declined by clients.

Our investigator shared CBAM's comments with Ms C. Ms C made the following points:

- She said she'd never had any intention of withdrawing cash other than once a year when the FTD matured.

- She said her main issue was that CBAM hadn't discussed the fact that it felt leaving the maturity proceeds in the cash account was the best option for her. And that it shouldn't have taken decisions on her behalf without discussing it with her. She said this left her believing that the monies were sitting in cash uninvested. She also said that she hadn't withdrawn cash from the SIPP monies for several years so there was no clearly established course of conduct in relation to the maturity proceeds. She therefore didn't think CBAM could fairly make this argument.

- She said she had no way of knowing if the £597 interest she'd accrued was correct. She also disputed that it was a reasonable return on the cash sum over the period in question.

- Ms C felt that she wasn't in a position to transfer her funds elsewhere to access an FTD. She felt that she was entitled to rely on CBAM to give advice and take action.

- She said that the only reason she transferred her financial affairs elsewhere was her unhappiness with the service and communication she'd received from her CBAM adviser.

- Ms C accepted that an annual review took place in 2021. But noted that she had complained about the standard of communication around the annual review in 2022, as set out in her 25 July 2022 e-mail.

- She didn't agree that she'd declined the 2023 review at the point that CBAM said she had. She said at the point when CBAM issued the 'declined review' letter, all that had happened was that her partner had told CBAM that she didn't want to meet her adviser at home. She felt her adviser should've followed up with her directly. And that he'd had no grounds for believing she'd declined a review.

- Ms C said she didn't believe that she was provided with a reasonable level of advice and communication in relation to her financial affairs in the year following the maturity of the FTD until she transferred her business elsewhere. She therefore felt that a refund of ongoing advice fees for that period was appropriate.

Our investigator considered the points both parties had made and issued a second view. She still felt that as Ms C had historically invested in FTDs, and because her objective was to reinvest the maturity proceeds, CBAM should've recommended a further FTD in November 2022. She still felt that as this wasn't available from CBAM, it was likely she would've gone elsewhere to fulfil her objective. Therefore her view on the redress she'd suggested in respect of this complaint point didn't change.

Our investigator acknowledged that both parties agreed that a review took place in 2021. So she said she wouldn't ask CBAM to refund the ongoing service charge for that review. But she still felt that although CBAM had continued to provide a service after Ms C had declined the 2023 annual review, it wasn't enough to justify the fees charged as an annual review hadn't taken place. She also acknowledged that Ms C said she didn't decline the 2023 review. She therefore felt that CBAM should refund the 2023 ongoing advice fee.

Ms C told this service that the transfer of her SIPP to her new adviser didn't take place until 4 April 2024. She said that CBAM was still charging her fees during the period from October 2023 to April 2024 even though it was clear that no annual review was going to take place.

Ms C said she didn't decline the review until after she'd received CBAM's 25 September 2023 letter.

CBAM still didn't agree with our investigator's view. It didn't agree that an annual review was the main feature of an ongoing advice service. It said that its adviser did make contact with Ms C to arrange the 2023 annual review when due. And that it was only not provided because she didn't want it. It said that Ms C had contacted it after declining the review to ask if it would still provide re-balancing advice without a meeting. And that it's adviser had started the preparation work for that when Ms C told it she'd decided to seek advice from another firm.

As agreement couldn't be reached, the complaint came to me for a review. I asked CBAM for a complete breakdown of the £597.30 interest it'd credited to Ms C's account once her FTD had matured. I wanted to establish if the effective dates and rates used were in line with the information CBAM had provided to Ms C in its 19 October 2022 letter.

CBAM provided me with a breakdown of the £597.30 interest Ms C had received. It also asked our investigator for a copy of the 19 October 2022 letter, which she provided. It then provided a spreadsheet with the cash interest rates it said had been applicable to cash within client portfolios, stating that the rate was 0% until 1 February 2023. This showed rates of between 0% and 2.25% over the period in question. I understand that Bank of England base rates since 3 November 2022 have ranged from 3% to 5.25%.

I issued my provisional decision on 27 February 2025. It said:

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 intend to uphold it. I'm not persuaded that the interest that CBAM has paid Ms C is fair and reasonable. However, I don't agree with the redress suggested by our investigator. I also don't agree with our investigator that the ongoing fee for 2023 should be returned. I'll explain the reasons for my decision.

I first considered whether CBAM needs to take further steps to put things right about the failure to reinvest the maturity proceeds in November 2022.

Failure to reinvest the maturity proceeds

In its 19 October 2022 letter to Ms C, CBAM said that if it hadn't received any instructions from her before her FTD matured, it would hold the proceeds in cash until she instructed it otherwise. The letter also confirmed what interest would be paid. It said that the gross interest rate would be: "calculated as the daily Bank of England base rate minus 0.4%, subject to a minimum of 0%." It didn't state that there'd be no interest until 1 February 2023, as CBAM has now suggested.

I can see that Ms C expected her adviser to discuss what she should do with her matured funds. So she wrote to CBAM on 29 November 2022 to ask what had happened to her funds. Within this letter, she also asked CBAM to clarify the service level she could expect to receive from it under her current arrangement with it. Ms C also wrote to CBAM on 10 March 2023 to ask it what had happened to her matured funds.

CBAM replied to Ms C on 22 March 2023, stating that FTDs were still not available through her SIPP. It said that it'd instead arranged to make money market funds available. And that if she was happy to hold that type of fund, it could arrange for her maturity proceeds to be moved before it then considered making good any potential loss. But Ms C said she didn't notice this part of the email at that time.

Having carefully considered what both parties have said on this issue, I consider that the 19 October 2022 letter clearly set out what would happen once Ms C's FTD matured. Therefore, while I understand Ms C's disappointment that her adviser didn't discuss her maturing FTD with her, I'm satisfied that the 19 October 2022 letter clarified the position. I haven't seen any *evidence of an instruction from Ms C about what to do with the proceeds. Therefore I'm of the view that she could've reasonably expected her matured funds to increase in line with the rates quoted in the October 2022 letter.*

Based on the information CBAM recently provided to this service, I'm not persuaded that the £597.30 it has already paid is in line with the interest the October 2022 letter confirmed. I say this because the interest rates CBAM used to get to the £597.30 it has paid Ms C appear to be significantly lower than those it promised to apply in its October 2022 letter.

I therefore intend to ask CBAM to ensure that Ms C receives the interest with effect from 2 November 2022 as set out in CBAM's 19 October 2022 letter.

While CBAM has acknowledged that it didn't fully inform Ms C about the maturity, the evidence shows that it couldn't offer her a further FTD for her matured funds.

I don't agree with our investigator that Ms C would've moved to another provider on finding out that CBAM could no longer provide her with an FTD. I say this because I'm persuaded that the interest rates set out in the 19 October 2022 letter, which Ms C could've reasonably expected to receive, weren't materially dissimilar to those she could've achieved by investing in an FTD with a different provider.

I next considered the service issues Ms C has brought up. She said she'd been concerned about the service provided in the three years before her complaint.

Service provided

CBAM said it'd detailed the cost of the service it provided to Ms C within its suitability reports.

Both parties have now agreed that an annual review was conducted in 2021, so I've focused on whether or not CBAM did enough to justify the ongoing advice fee in 2023.

CBAM wrote to Ms C on 25 September 2023. It acknowledged its understanding that she'd confirmed she didn't want a review, but stressed the importance of annual reviews. The adviser also made it clear that he and his team would be available throughout the year to provide advice when needed. He also explained in detail what Ms C could expect from her annual advice fee, as follows:

- a. *An annual review meeting with a financial planner including provision of an annual review pack.*
- b. *Review of goals and objectives along with investment performance.*
- c. *Annual confirmation that products and investments remain suitable.*
- d. *Updates to any financial modelling undertaken.*
- e. *Pro-active contact over the year on market and legislative changes that have a direct impact on the financial planning strategy.*
- f. *Working with any third party pension, insurance and investment providers to ensure best service*
- g. *Working with any other professional advisers.*
- h. *Facilitation and advice on ongoing income and withdrawals.*

i. Ongoing communication and updates on relevant financial planning and investment matters.

Ms C's adviser said that he'd spoken to Ms C when he'd met with her partner on 13 January 2023. He felt his relationship with her changed at this time and there'd been a loss of trust as a result of an email issue he'd had. He said that when he'd contacted Ms C and her partner to arrange their 2023 review, her partner had told him that Ms C didn't want to meet with him. And that he'd then gone on to issue a "declined review" letter. He said that Ms C had contacted him to ask if CBAM would be re-balancing her portfolio, without a review meeting. So he'd requested research on her portfolio to start that process. He said he'd then found out through Ms C's partner that she was looking for advice elsewhere.

Ms C said that neither she nor her partner told CBAM that she didn't want a review. But her partner had told CBAM that she didn't want to meet her adviser at home. Ms C referenced this in her 14 October 2023 email to her adviser. She said: "You e-mailed [partner's name] (not me) to suggest a meeting with both of us either here or in [name of place]. He replied confirming arrangements for his own review meeting and said that I would pass on a meeting at the moment. I assume that you can carry out the review without meeting me in person, and provide me with your report and recommendations in writing. I can confirm that there have been no material changes to my circumstances over the past year. If you require any other information from me to carry out the review please let me know."

It appears that there was an initial misunderstanding about whether or not Ms C wanted a review in 2023. However, it's clear that Ms C did reject the 2023 review in her 26 October 2023 response to her adviser's 24 October 2023 email, in which he said he'd write to her shortly with his rebalancing recommendations. In that response, Ms C stated: "As regards an Annual Review, having thought about the matter for some time I have decided that I am going to move the management of my financial affairs from CBAM to other advisers, so there is no point in your progressing this now."

I can see that Ms C had lost trust in CBAM, and that she was clearly upset that her adviser had thought she'd rejected a review when she hadn't. So I can understand why she decided to move to another adviser and why she felt that there was no point in progressing with a CBAM review.

However, I can't fairly say that Ms C's CBAM adviser acted unreasonably when he took what her partner had told him to mean that Ms C didn't want a review.

CBAM said while it had offered Ms C an annual review in 2023, she'd chosen not to use that part of the service. It therefore didn't agree that a refund for 2023 was fair. It also said that it carried out an annual review for Ms C each year before 2023. It didn't think it was reasonable to assume that one rejected review meant that the ongoing advice service wasn't suitable. It also noted all of the other aspects of the service that had been provided to Ms C during 2023.

I've carefully considered the documentary evidence and what both parties have said. Having done so, I don't agree with our investigator that CBAM shouldn't be able to charge ongoing fees for 2023, despite not providing Ms C with an annual review. I say this because the evidence shows that CBAM did provide Ms C with a service in return for the advice fee it charged, despite her rejecting the annual review. This is evidenced for example by the work CBAM carried out for Ms C around the time of her partner's 13 January 2023 meeting with it, and by the planning work it did for Ms C's 2023 review before she rejected it.

I acknowledge that CBAM continued to charge Ms C the ongoing advice fee from the time she rejected the 2023 review until February 2024. And that Ms C moved to a new adviser on

4 April 2024. But I'm not persuaded that CBAM should've stopped charging Ms C ongoing advice fees as soon as she'd rejected her 2023 review in October 2023. I say this because the evidence shows it was still providing a service. And there's no evidence that Ms C asked it to stop providing that service before she moved to her new adviser. Therefore I don't intend to require CBAM to refund any advice fees.

I finally considered the distress and inconvenience CBAM has caused Ms C.

Distress and inconvenience

The central point of Ms C's complaint, and I suspect the main reason for her unhappiness with the service provided by CBAM, is that it didn't discuss what she should do with her maturing FTD funds with her at the end of 2022. I agree with Ms C that CBAM should've discussed this with her, rather than just sending her a letter in October 2022 which effectively told her she needed to decide what to do with the maturing funds, and until she did so, what would happen.

The evidence shows that CBAM wasn't able to offer Ms C a further FTD for her matured funds. But that it didn't confirm this to her until around four months after her FTD had matured. I can see that this caused Ms C considerable stress as she wasn't clear what was happening with her matured funds over this time. Having said that, I think the October 2022 letter was clear about what would happen. And CBAM's 22 March 2023 email also explained the options which were available to Ms C, but unfortunately she didn't take in that part of the email at the time.

The evidence also shows that Ms C didn't always receive a prompt response to some of her queries, leading her to have to chase CBAM on some occasions.

Ms C said she'd suffered considerable anxiety and irritation due to the poor communication and service she'd received from CBAM.

CBAM acknowledged that it hadn't communicated well with Ms C. It apologised and offered her £150 compensation for the distress and inconvenience this had caused. Our investigator felt that a further £100 compensation was due in respect of the missing paperwork Ms C had noted.

Based on all the evidence, I think £250 compensation for the distress and inconvenience the poor service and communication has caused is reasonable under the circumstances of this complaint.

Overall, I intend to uphold the complaint. I'm not satisfied that CBAM has paid Ms C interest on her matured funds in line with what it said it would pay in its October 2022 letter. I therefore intend to require it to calculate interest in line with what that letter said with effect from the maturity date of 2 November 2022 to the date Ms C transferred her funds away from CBAM. It can offset the amount calculated with the £597.30 it has already paid Ms C. But it should provide Ms C with a clear explanation of how it has reached the final figure. I also intend to require CBAM to pay Ms C £250 compensation for the distress and inconvenience caused.

Response to my provisional decision

CBAM accepted my provisional decision.

Ms C made the following points:

1. In relation to the 19 October 2022 letter, she noted that CBAM had previously always discussed the re-investment of the FTD with her when it matured. She said that as it was held in her SIPP, she didn't think she had any direct control over it, nor did she believe that she could provide instructions herself.

2. Ms C asked if this service could check that CBAM had actually paid her the £597 it said it had paid. She also wanted to know if the interest outlined in the 19 October 2022 letter would be applied correctly.

3. Ms C still felt that CBAM hadn't provided the service it should've provided for the annual advice fee in 2022/23, noting that CBAM hadn't followed up with her when she didn't reply to its 22 March 2023 email about the re-investment of her matured funds. She felt if it had, her complaint could've been avoided.

4. For the 2023/24 service year, Ms C wanted CBAM to evidence the work it'd carried out in September/October 2023, given she felt it'd pointed to that work to justify its fee.

5. Ms C felt that she'd informed CBAM on 26 October 2023 that she would change her adviser. She said she'd expected to continue to pay some fees to CBAM for the administrative tasks. But she didn't think that it was fair for CBAM to have charged its full fee for that period.

6. She didn't think that £250 compensation was sufficient for the inconvenience, anxiety and distress the issues had caused her. She felt £500 would be more appropriate.

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 considered each one of Ms C's points in the order that she made them.

1. I acknowledge and understand Ms C's point here. However, I'm satisfied that the wording in the 19 October 2022 letter was clear and not misleading. And if Ms C had been unsure about whether she was able to provide her adviser with an instruction about the maturing funds, she could've checked with him.

2. This service is unable to independently verify any calculations we require a business to carry out. But we do expect businesses to follow our instructions to the letter. Part of those instructions are for CBAM to provide details of the calculation to Ms C in a clear, simple format. As our investigator has already noted, in the unlikely event that CBAM don't settle in line with this final decision, Ms C should contact this service.

3. The email Ms C refers to here is CBAM's reply to her fee query. This also explained that FTDs weren't available through her SIPP, but some money market funds were available. The email explained that if Ms C was happy to hold that type of fund, CBAM could arrange for her monies to be moved. I don't consider that this email necessarily required a response from Ms C. Therefore I can't reasonably agree with her that this example shows that CBAM didn't provide a reasonable service in 2022/2023.

4. I noted in my provisional decision the work I consider CBAM had evidenced it'd carried out for Ms C in 2023/24. Based on all the evidence I've been presented with, I'm satisfied that CBAM was ready, willing and able to provide the annual review, but

that Ms C consciously declined it.

5. This point was covered in my provisional decision.

6. I don't doubt that this has been an inconvenient and stressful process for Ms C. But from what I've seen, CBAM's failings here relate to its communication with her. While I acknowledge that it didn't always provide timely responses to her e-mails, and the evidence also shows that a meeting was once held with missing paperwork, I remain satisfied that £250 compensation is appropriate here.

Having considered each of Ms C's points, I remain of the view I set out in my provisional decision.

Putting things right

I require Close Asset Management Limited trading as Close Brothers Asset Management to take the following steps:

- Calculate the interest due on Ms C's maturity proceeds of £29,425 in line with the rates described in the 19 October 2022 letter for the period from 2 November 2022 to the date Ms C transferred her maturity proceeds away from CBAM. This is X.

- Deduct from X the £597.30 interest already credited to Ms C's account. This is the compensation amount.

- The compensation amount should if possible be paid into Ms C's pension plan. The payment should allow for the effect of charges and any available tax relief. The compensation shouldn't be paid into the pension plan if it would conflict with any existing protection or allowance.

- If a payment into the pension isn't possible or has protection or allowance implications, it should be paid directly to Ms C as a lump sum after making a notional reduction to allow for future income tax that would otherwise have been paid.

- If Ms C has remaining tax-free cash entitlement, 25% of the loss would be tax-free and 75% would have been taxed according to their likely income tax rate in retirement – presumed to be 20%. So making a notional reduction of 15% overall from the loss adequately reflects this.

- Pay Ms C £250 compensation for the distress and inconvenience caused. If CBAM has already paid Ms C the £150 it offered her it can deduct this first.

- Provide the details of the calculation to Ms C in a clear, simple format.

If payment of compensation is not made within 28 days of CBAM receiving Ms C's acceptance of my final decision, interest must be added to the compensation at the rate of 8% per year simple from the date of my final decision to the date of payment.

Income tax may be payable on any interest paid. If CBAM deducts income tax from the interest, it should tell Ms C how much has been taken off. CBAM should give Ms C a tax deduction certificate in respect of interest if she asks for one, so she can reclaim the tax on interest from HMRC if appropriate.

My final decision

I uphold the complaint. Close Asset Management Limited trading as Close Brothers Asset Management must take the actions detailed in “Putting things right” above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Ms C to accept or reject my decision before 29 April 2025.

Jo Occleshaw
Ombudsman