

The complaint

Mr H is unhappy with the service fee he is being charged by Financial Administration Services Limited (FASL). He believes he qualifies for a fee of 0.2% but is being charged 0.3%. FASL says he has misunderstood the qualifying terms for this fee and he is being charged correctly.

What happened

The background to this complaint is well known to both parties so I don't think it is necessary to repeat that here.

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.

Mr H's position is that he was misled by FASL to believe that he would gain access to a 0.2% service fee because his total amount invested exceeded £250,000. However, FASL says this isn't the case as his workplace pension makes up some of the £250,000 and this is excluded from the total. Mr H says this wasn't made clear and is a breach of contract and legally under the *contra proferentem*, his complaint should be upheld.

Whilst I have taken into account the law when making my decision, the principle I need to decide this case on is what is fair and reasonable in the circumstances of this complaint.

Mr H argues that Fidelity's website sets out the fees it will charge. And here it says if you have more than £250,000 invested with it the service fee will be 0.2%. And that this qualifies as a contractual agreement. In particular he has said: *'the stated fee of 0.2% for £250,000 to £1,000,000 forms a binding contractual term pursuant to Section 50(1) of the Consumer Rights Act 2015, which states:*

Every contract to supply a service is to be treated as including as a term of the contract anything that is said or written to the:

consumer, by or on behalf of the trader, about the trader or the service, if—

a. it is taken into account by the consumer when deciding to enter into the contract, or

b. it is taken into account by the consumer when making any decision about the service after entering into the contract.

Therefore Fidelity charging of the higher 0.2% fee instead of the 0.3% fee, when the total value of my investments (including my workplace pension) was above £250,000, is a breach of contract.'

The part of the webpage Mr H is referring to is headed:

'Fees and charges

We calculate your fees based on your total investment value, not per account.'

Then the next heading where the information Mr H refers to is listed under '*Fees at a glance*'.

Before the different fee charging bands are set out the following is stated:

'Here's what you'll pay

1. ***Service fees*** - set by and paid to us for the services we provide, including our wide range of investment options, administering your accounts and ensuring the safety of your savings.
2. ***Investment charges*** - set by and paid to the manager of your investments, depending on what you choose to invest in.

You can download the Doing Business with Fidelity document for more detail on our fees and charges. '

So Mr H was directed to the above document for more detail about the fees and charges and a link was provided.

The link takes you to a document titled:

'Doing business with Fidelity Terms and conditions included

Key Facts'

The relevant section here is titled Personal Investing and says on page 3:

'About Fidelity and our services and:

An extra service for investors with larger portfolios We also offer an enhanced Wealth Management service for investors who have £250,000 or more invested with us, or who use our Fidelity Wealth Management Advice Service and have been advised to invest on our platform. It gives you access to all the above benefits, plus:

- *Your own dedicated Relationship Manager or Financial Adviser...*
- *A reduced service fee on non-advised investments..*

*Please note, to qualify, you must have £250,000 invested on the Personal Investing platform. This does not include any **workplace investing accounts (my emphasis).**'*

Mr H has argued it is not the Wealth Management Advice Service he is asking for but the reduced service fee. But I think its clear that the Wealth Management Advice Service is the overall benefit that a large portfolio receives – and the reduced service fee is part of this service.

I understand Mr H's argument is that this isn't made clear on the website pages discussed above. And I agree this information isn't set out – there is nothing there to say the service fee is part of a wider Wealth Management Advice Service and there isn't anything to say that workplace investing accounts are not included. But this page is headed as '*Our fees at a glance*' and the reader is directed to the above document for more information. And it is here that more information is given about the qualifying criteria for the service fee and what else

you receive for having a larger portfolio invested with it.

Whilst Mr H believes he was misled by this extra information not being included on the webpage, to include all the terms and conditions to cover all scenarios when trying to highlight its fees at a glance isn't in my view realistic or required. I think it was reasonable to provide the link to the document which sets out the terms in more detail and this is common practice for any type of insurance policy.

FASL has also explained that in fact the Group Personal Pension (workplace pension) Mr H has is run by a different part of the business within its sister company – so it is a separate legal entity. And as it's not included within its personal investment arm of business (although the pension value is viewable from its platform alongside but not actionable like the others), it's not included within the service fee structure. And I can see the terms and conditions of Mr H's GPP don't include any mention of a service fee. I do understand Mr H's frustration with the different entities and wouldn't expect him to have understood this. But I think it's clear that the workplace pension was never designed to have been included within the total amounts qualifying for the reduced service fee. It was with a different entity and there is no mention of a service fee applying to the GPP.

I therefore don't agree with Mr H's view of matters. I don't think FASL in charging Mr H 0.3% is in breach of contract because it set out that to qualify for the Wealth Management Advice Service that includes the reduced service fee, his workplace pension wouldn't count. If the 0.2% fee was important to Mr H selecting FASL as his investment provider, I would've expected him to have read the additional document that he was directed towards for more information about the fees and charges. I understand why when Mr H saw the fees at a glance set out on the webpage that he thought he would qualify for the 0.2% service fee but there's no evidence to suggest he made any decisions based on this. And in any event as I've said I think it's a reasonable expectation that he would've read the more detailed information about the fees and charges.

For the reasons explained above, I don't think FASL misled Mr H about its charging structure. I don't agree it is in breach of contract nor that it made an error. Mr H doesn't qualify for its Wealth Management Advice Service and the 0.2% service fee under its terms and so it is fairly applying his charging structure.

As an aside, and for the record I wouldn't be upholding the complaint in any event, but FASL has told us Mr H's GPP was setup in March 2022. At this point his ISA and SIPP were already in place. The GPP is his employer's scheme and was administered by Fidelity sometime before Mr H joined the scheme. Mr H wouldn't have had a choice about who administered it as that would've been his employer's decision.

So it appears to me that the 0.2% fee wasn't taken into account by Mr H when deciding to enter into the contract or by Mr H when making any decision about the service after entering into the contract. He chose FASL as the provider for his personal investments prior to the start of his GPP and didn't invest enough to qualify for the 0.2% fee – so this couldn't have been an important consideration at that point. Only once the GPP was added later could he have thought he was over the £250,000 qualifying limit. And he's made no mention of having made additional contributions specifically so he could benefit from the 0.2% service fee. If Mr H chose FASL for his personal investments because in the future he could benefit from the 0.2% service fee then he can still do so. The GPP coming into play (or not as it turned out) wasn't something Mr H had any influence on (other than choosing to benefit from his employer's pension scheme) and so seemingly hasn't changed matters since Mr H made a decision to invest with FASL.

My final decision

I do not uphold this complaint and make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 30 July 2025.

Simon Hollingshead
Ombudsman