

## **The complaint**

Mr B is complaining about the advice he received from Brewin Dolphin Limited (“Brewin”) in respect of four JISAs taken out on behalf his children. Mr B has claimed losses of at least £27,000.

## **What happened**

In late 2019 Mr B opened through his then advisors Epoch Wealth Management Limited (which later became Brewin) four JISA accounts on the AJ Bell investment platform for his four children. These were adviser led accounts, with Brewin effecting transactions on the account on behalf of Mr B. Mr B contributed approximately £14,000 into each of the JISAs, which Brewin then invested into a Vanguard fund.

In early 2020, Brewin suggested that they cease managing the JISAs, as management and planning fees were being incurred unnecessarily given the monies were passively invested in the Vanguard funds. It was also agreed that Mr B would contribute £364 each month to each JISA.

In early 2020, Mr B received a suitability report from Brewin which stated in respect of the JISAs that a £364 regular contribution would be set up for each account.

In June 2020, Mr B formally set up the direct debit payments to the JISAs.

On 1 July 2020, Mr B received a letter from AJ Bell, notifying him that Brewin had ceased acting for him in respect of the JISAs.

Between 4 July and 14 July 2020 Mr B and Brewin exchanged emails about the AJ Bell letter and its implications.

Whilst Mr B continued to make the above-mentioned regular monthly payments into the JISAs, these payments remained as cash deposits in the JISAs and were not invested in any Vanguard funds.

Brewin sent Mr B annual suitability reports in the subsequent years and none of them referred to the JISAs.

Mr B was able to access his accounts online and received annual statements from AJ Bell setting out the distribution of assets in the JISAs (i.e. what was invested in shares etc. and what remained in cash).

In September 2024, Mr B received a letter stating more than 25% of his investments in the JISAs were held in cash. Mr B says it was only then that he learned that the payments he had been making for four years were held as cash deposits.

Mr B lodged a complaint with Brewin complaining that he was under the impression that the cash contributions would be invested in the Vanguard fund automatically, that he had not been informed that the cash contributions would remain effectively dormant in the JISAs, and that he was never told that he would need to manually invest the cash in the Vanguard

fund himself.

In December 2024, Mr B received a final response to his complaint from Brewin. In that response, Brewin stated that they did not accept full responsibility, though they did concede that they could've been clearer in their communications and so offered Mr B £400 in full and final settlement of the complaint.

Mr B subsequently lodged a complaint with the Financial Ombudsman Service claiming losses of at least £27,000 based on the value gains he says he would've achieved had his money been invested in the Vanguard fund. Our investigator did not uphold the complaint. The investigator accepted that Brewin could've been clearer in its communication but also concluded that Mr B had a responsibility to mitigate his claimed losses and that the £400 offer from Brewin was fair and reasonable in the circumstances.

Mr B rejected the investigators view, arguing, broadly, that insufficient weight had been placed on the alleged lack of clarity from Brewin when it ceased acting in respect of the JISAs and that Brewin also had opportunities to limit Mr B's losses. As Mr B asked for an Ombudsman's decision, the complaint has now been referred to me.

### **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.

As this is an informal service, I'm not going to respond here to every point raised or comment on every piece of evidence Mr B and Brewin have provided. Instead, I've focused on those I consider to be key or central to the issues in dispute. But I would like to reassure both parties that I have considered everything submitted. And having done so, I'm not upholding this complaint. I'll explain why.

It's clear Brewin was under an obligation among other things to act in Mr B's best interests and ensure its communications with Mr B were clear, fair and not misleading.

I'm satisfied that in advising that Brewin should cease managing the JISAs, Brewin was acting in the best interests of Mr B. It would've made little sense for Brewin to continue charging management fees in respect of what were in essence passive investments into the Vanguard fund.

That said, I'm also of the view that in the advice it gave about that transition, particularly regarding its implications, Brewin failed in its obligation to ensure its communications with Mr B were clear, fair and not misleading.

Prior to them ceasing to manage the JISAs, it ought to have been clear to Brewin that Mr B wanted the monthly payments to be invested into the Vanguard fund. It knew that Mr B intended to make significant monthly contributions to the JISAs, because it helped him set up the direct debits for this, and there's a reference to the direct debits in the February 2020 suitability report. The only logical purpose for the monthly contributions was that they would be invested. And Brewin wouldn't have suggested ceasing to act on Mr B's behalf if it did not believe Mr B intended for the money to be invested in the relatively simple passive Vanguard fund, which did not require their active management.

On the evidence available it's not clear whether Brewin (a) intended to provide an instruction to AJ Bell that the monthly payments be automatically invested into the Vanguard fund, (b) erroneously assumed this would automatically happen, (c) considered the investments were simple enough that Mr B could do them himself, or (d) simply failed to think about the

mechanics of how the monthly contributions would be invested. Similarly, there's no clear evidence that Mr B had specifically instructed Brewin to set up automated investments into the Vanguard fund. Regardless, given no instruction was given to AJ Bell, the monthly payments would not have been automatically invested into the Vanguard fund without Mr B actively instructing AJ Bell to do so. I think, given Brewin knew Mr B's investment intentions, this ought to have been explained to Mr B in clear terms but unfortunately, the advice from Brewin, if anything, only served to confuse matters.

In an 8 July 2020 email, in the context of discussions about whether to switch to a 'Youinvest' account which would have made it easier for Mr B to make trades than the current advised account, Brewin reported to Mr B on communications with AJ Bell in the following terms:

*"We've spoken to AJ Bell and they have provided the following information in relation to your options with the JISAs;*

*'If it stays in current state (under current service) he can access the portfolios on a 'read only' basis. He can instruct trades etc but he would need to call up and do them and its more expensive per trade than through an adviser. This is not designed for clients, and the preference is for these to be managed through an adviser. Alternatively, the client can move the account to a 'You-invest' – execution only product. They take on the responsibility and have full online and phone access to the portfolio. No quarterly admin charges. If he wants to do this he goes to the you invest website and applies [www.youinvest.co.uk](http://www.youinvest.co.uk) and he can then input the transfers from the invest centre.'*

*Given you are unlikely to be making any changes to the investments in the short term you will be able to leave the accounts as they are and continue to look at them on line and receive ongoing statements. As mentioned we can look at the accounts as part of your ongoing reviews and look to make changes to the basis of the accounts should you think that is appropriate and you need full advice on the JISAs."*

The last paragraph given its vagueness might have given the impression to Mr B that he could sit back and watch the accounts as he had no investments to make. Whether it was intended to suggest the monthly contributions would be automatically invested is unclear. Brewin could equally have simply been referring to the investments already made (which Mr B could monitor online) and neglected to consider in this passage how the monthly contributions ought to have been dealt with. Regardless, the advice would not have made clear to Mr B that he would've had to actively invest the monthly contributions into the Vanguard fund very soon if not immediately.

Moreover, the AJ Bell letter of 1 July 2020, which both Mr B and Brewin had read, stated that "[i]f your previous financial advisor put in place regular investments, or disinvestments, then these will continue until you advise otherwise". This likely contributed to Mr B's impression that his monthly cash contributions were to be or at least could have been invested automatically into the Vanguard fund even after Brewin ceased management, and so underscored the need for Brewin to make clear to Mr B that no such regular investments had been put in place and that Mr B would need to make the investments himself.

Whilst I accept that Brewin failed in their obligation to provide clear communications, in respect of how things would work once Mr B took over the JISAs and Brewin ceased managing them, I must also consider the impact of that and whether it caused Mr B (or his children) a loss. That involves two questions. First, was it reasonable for Mr B to rely on Brewin's less than clear communications? Second, should Mr B have been aware soon after the transition that investments weren't happening, and so mitigated the alleged losses?

In answer to the first question, I don't think it was reasonable for Mr B to have relied on the unclear communications from Brewin. This is because, the information available to Mr B should have alerted him to the fact that it was his responsibility to actively monitor the JISAs and specifically to ensure that the cash deposits were indeed being invested in the Vanguard fund. In particular:

- Mr B was made aware through his discussions with Brewin in 2020, that the funds were no longer being managed by Brewin and that he was now responsible for managing the accounts. This was underscored by the February 2020 suitability report which stated “[y]ou will be managing these yourselves going forward and so no review has been included in this report”.
- The AJ Bell letter (as mentioned) also made clear that Brewin would no longer be managing the JISAs and that they would have no access to his records. Specifically, they stated:

*“In response to this request we have removed the access rights that they had to your online records. Where applicable, we have cancelled the payment of any future initial, or future ongoing adviser charges to your previous adviser.*

*We will not provide this firm with any further information, nor will we accept any instructions from them in relation to your account.”*

That letter further clarified that if Mr B wished to make trades he could do so by either getting another financial advisor, calling AJ Bell or switching to a “Youinvest” account.

- Importantly, the direct debits Mr B signed in June 2020 in no way indicated anything about onward investments into the Vanguard fund. These were expressly stated to be cash contributions to the JISAs. Whilst the JISAs only held one investment, given multiple other types of investments could be made, the lack of instruction in the direct debit forms ought to have made Mr B question how AJ Bell was going to know what to invest in, given he either knew or ought to have known particularly after the AJ Bell letter that Brewin could not instruct them anymore.
- The subsequent suitability reports did not mention the JISAs thereby confirming that they were no longer the responsibility of Brewin and they had taken no subsequent obligation to monitor or evaluate them.
- Whilst Mr B was given less than clear advice from Brewin, there does not appear to be any express confirmation either from Brewin or AJ Bell that the monthly payments would be invested into the Vanguard fund, which again reinforced the need for Mr B to prudently monitor his accounts and ensure the investments were being made. Whilst I can understand why Mr B may have reached the erroneous conclusion about the monthly contributions, based on the information available to him, I think it was incumbent on Mr B to at least have confirmed with AJ Bell or Brewin that the money would be invested, rather than assuming it would be.

Moving on to the second question, I think Mr B ought to have been aware from the outset that the monthly contributions were not being invested in the Vanguard fund and so should have acted to mitigate the alleged losses.

By his own account, Mr B said he “regularly” reviewed the JISAs online (as stated in his email to the investigator dated 9 April 2025). However, he did not properly scrutinise them. Instead of relying on the total portfolio value which is what is first presented when accessing

the accounts online, one further step (i.e. clicking on the accounts to get a more detailed breakdown of cash and investments) would have revealed the monthly payments were not being invested. This information was readily available to Mr B at any time. But Mr B accepts he didn't take that additional step despite knowing it would have given him a detailed breakdown of the accounts. In addition, the annual statements which Mr B has accepted he received would also have made the situation abundantly clear. Again, these were unfortunately not properly scrutinised. These clear missed opportunities are not something for which Brewin can be blamed.

Mr B has claimed that he expected to be notified by Brewin about the JISAs as part of his annual investment review with them. However, I can't see that there was any commitment in this regard.

Whilst Brewin mentioned the possibility of potentially looking at the accounts as part of the annual review, there was no commitment this would happen. In the 8 July email Brewin stated merely that they "can" look at the JISAs should Mr B think that "*appropriate*". So the expectation was that it was for Mr B to ask for and initiate this and provide them with the JISA account records, which would make sense since Brewin did not have access to these (as the AJ Bell letter confirmed). As mentioned, the fact none of the subsequent suitability reports referred to the JISAs underscored that Brewin was no longer responsible for them. Moreover, there is no evidence that Mr B ever took issue with their absence from those reports or that he ever raised the matter in any of his annual reviews.

In light of the above, I am satisfied that Brewin did not undertake any further obligation to review or in any way hold themselves responsible for the JISA accounts once they ceased managing them. And further I'm satisfied that Mr B had easy access to clear information from AJ Bell that would have alerted him to the situation pretty much at the outset, thereby allowing him to avoid the claimed losses. That he did not spot it isn't Brewin's fault and means it wouldn't be fair and reasonable to hold Brewin responsible for anything that happened after that point.

Mr B has not provided clear evidence of his losses. However, to the extent such losses did occur, I find that it would not be fair and reasonable to hold Brewin accountable for them, as I don't think it was reasonable for Mr B to have relied on the less than clear communications from Brewin the way he did, and I think those alleged losses would've been avoided had Mr B taken reasonable steps to mitigate them.

That said, in light of the above-mentioned failings in Brewin's communications, Brewin have apologised and offered £400 in compensation, and I believe this to be fair and reasonable because, although I haven't found Brewin liable for any losses, I do think its unclear communication would have caused Mr B some confusion

### **My final decision**

My final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 29 December 2025.

Zaib Malik  
**Ombudsman**