

The complaint

Mr and Mrs P complain that Ascot Lloyds Limited trading as Ascot Lloyd continued to take commission from their investments even though no changes were made to their account.

What happened

Mr and Mrs P made their investments over twenty years ago with a predecessor company. They say the commissions continued to be paid after the investments were acquired by Ascot Lloyd even though they had never received any advice or communications.

They complained that the amount of commission taken from the account has reduced the value of their investments. They say they didn't know they had cause for complaint because they were not aware that commission was being deducted from their investments as this was not transparent. They complained to Ascot Lloyds as soon as they were made aware.

To resolve the complaint, they would like a refund of all commission paid to Ascot Lloyd.

In their final response letter in February 2024, Ascot Lloyd said the account held is execution only so they would not give any advice and no changes were made to the original agreement. They say they have never received ongoing advice charges. They say Mr and Mrs P would have been offered a discounted initial fee which would have been noted when they account was set up. They confirmed no shares were sold to satisfy fees on the account and the number of shares remained static. They received trail commission as they acquired the account, but as no service agreement was in place, they never provided a service to Mr and Mrs P, nor where they required to complete an assessment.

An investigator here considered the complaint and said these were trail commissions which were ongoing and so would not be subject to the time bar Ascot Lloyds suggested. He said there was no requirement for firms to cease charging trail commissions for investments taken out before the new changes were applied in May 2016. He didn't uphold the complaint. As Mr and Mrs P didn't agree with the investigator so this came to me for a 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 agree with the investigator's conclusion for broadly the same reasons. I do not uphold this complaint.

Whilst Ascot Lloyds say they do not hold any file for Mr and Mrs P, I am satisfied that acquiring the interest from the predecessor means they also become responsible for the account and they became customers of Ascot Lloyds. Due to the passage of time the original account opening documents are no longer available. There is only limited information available from both parties, so I must make my decision based on the information available.

Mr and Mrs P confirmed they received account statements every six months, so they were aware of the value of the account and any changes to this. Any additional fees applied to the account would be visible. Since 2016, the new regulations prevent commission being charged from the sale of shares and Ascot Lloyds have already confirmed, no shares were sold to satisfy fees – the number of shares remained static. The account was set up prior to any regulatory changes and so was not subject to a new agreement in the same way that accounts set up after these changes were.

I appreciate Mr and Mrs P say they never received correspondence in April 2016 informing them of changes to fees introduced in May 2016. However, these changes were introduced prior to Ascot Lloyds acquiring Mr and Mrs P's account so they do not hold records of this information.

I understand why Mr and Mrs P feel any charges paid to Ascot Lloyd needs to be for a service the received, but holding an open account with Ascot Lloyds requires administration which warrants a fee. They would have been told this when they account was opened. It is standard practice to be charged a management fee for the period the account remains open. This fee is different to ongoing advice charges. Ascot Lloyds already confirmed they have continued to receive 'trail commission', but not ongoing advice fees.

I wouldn't expect Ascot Lloyds to give Mr and Mrs P any advice. This was an execution only account, so it stands to reason that they would not receive any ongoing advice fees and I've seen no evidence to suggest they have received it.

I know Mr and Mrs P will be disappointed with my decision, but I'm not persuaded that Ascot Lloyd were receiving ongoing advice charges or that they were required to do an assessment or receive advice from Ascot Lloyd.

My final decision

For the reasons given above, I do not uphold this complaint against Ascot Lloyd Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr P to accept or reject my decision before 28 July 2025.

Naima Abdul-Rasool
Ombudsman