

The complaint

Miss O complains that Raymond James Wealth Management Limited, trading as Charles Stanley Direct ('CSD'), unfairly closed her investment ISA trading account without her permission.

What happened

In May 2024, Miss O opened an investment ISA with CSD. Shortly after opening the account, CSD wrote to all their customers explaining that they were updating their fee tariff. In November 2024, Miss O raised a complaint with CSD about the charges that had been levied to her account (£14.05). Miss O's details were passed to a manager who contacted her to discuss her concerns and possible options.

Following a number of conversations that Miss O had with one of CSD's managers on 14 and 15 November 2024, it was considered in light of the small amounts Miss O was planning on investing, the fees would likely be unsustainable. CSD agreed to refund the £14.05 to Miss O and arranged for the pending pro-rata platform fee to be waived. Miss O confirmed that she wanted CSD to proceed with selling her investments. Following the discussions, CSD closed her trading account.

Shortly afterwards, Miss O decided to formally complain to CSD again. In summary, she said that she wasn't happy her ISA had been closed without her permission. She went on to say the first she knew about her account being closed was when she received their letter, informing her of the closure.

After reviewing Miss O's complaint, CSD concluded that having listened to the telephone calls that they'd had with her, they could have been clearer about the account closure. They also said, in summary, that they accepted she'd not instructed CSD to close the account on her behalf. And, during the process of waiving fees and discussing how to sell her holdings, it was incorrectly assumed by them that she wanted the ISA to be closed. As such, they were upholding her complaint. CSD also said that should Miss O wish, they were happy to re-open the account, but she should bear in mind that the same charges would apply that were the catalyst for her complaining in the first place and asking them to sell her investments.

Miss O was unhappy with CSD's response, so she referred her complaint to this service. In summary, she said that she'd found CSD's behaviour highly troubling. She went on to say that she's not received a satisfactory explanation or the necessary support to rectify the situation. She also said, in summary:

- She wanted a thorough investigation into how and why her account was closed without her request or consent.
- Restoration or provision of equivalent financial services to rectify any inconvenience caused.

- A formal acknowledgement from CSD detailing the measures taken to ensure such incidents do not occur in the future.

The complaint was then considered by one of our Investigators. After listening to the telephone recording of the call that Miss O had with CSD, he understood why they'd concluded that she wanted her account closing. However, given CSD had offered to re-open the account should she wish, our Investigator felt that they'd done enough to put things right for Miss O.

Miss O, however, disagreed with our Investigator's findings. In summary, she said that he'd made a number of wrong assumptions on what she intended to do without understanding her circumstances at the time.

Our Investigator was not persuaded to change his view as he didn't believe Miss O had presented any new arguments he'd not already considered or responded to. Unhappy with that outcome, Miss O then asked the Investigator to pass the case to an Ombudsman 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.

I have summarised this complaint in less detail than Miss O has done and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this and it simply reflects the informal nature of our service as a free alternative to the courts.

My role is to consider the evidence presented by Miss O and CSD in order to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice. Where there's conflicting information about what happened and gaps in what we know, my role is to weigh up the evidence we do have, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened. And, having done so, whilst I'm upholding Miss O's complaint, I'm not going to ask CSD to do anything beyond what they've already offered - I'll explain why below.

I don't believe there's any merit in repeating the full details of the telephone conversations that Miss O had with CSD about either the charges on her account or whether she did or didn't intend for her ISA with them to be closed. Our Investigator has already documented the telephone call in detail within his view and given CSD have already conceded that they were wrong to assume Miss O had wanted to close the ISA, they've apologised and offered to re-open it.

However, I think it's worth explaining that having listened to the call Miss O had with CSD, I can well understand why they concluded that she wanted her account closing – she was unhappy with the new charges that were being applied and she wanted to sell her investments within the wrapper. Therefore, the next logical step following that would be to close the account to avoid further charges accruing. The issue here though is that CSD didn't confirm this with Miss O.

Using financial services won't always be hassle free and sometimes mistakes occur. When they do, we'd typically expect the business to put the consumer back into the same position that they would've been in were it not for the error – and CSD have done that by offering to re-open her account.

Miss O states that CSD's offer doesn't go far enough because had they not closed her account, she would've gone on to invest her monies and as a consequence, she's lost out financially by their mistake. However, for me to be able to instruct a firm to recompense a consumer, I'd need to be satisfied that the error had resulted in an actual loss and from what I've seen, that threshold hasn't been satisfied. I say that because it's clear from Miss O's telephone call with CSD that she wasn't happy with the charges they were levying and as such, she wanted her investments sold down and she was likely going to pay away the funds to her bank account – she sold her shareholding on 18 November 2024 and then transferred the monies away on 21 November 2024. I therefore think on balance, it's more likely than not, that even had CSD kept the ISA open, Miss O wouldn't have made further investments because she would've found herself in the same situation that she'd complained about earlier – fees that were 'excessive and not sustainable'.

Whilst Miss O has suffered a minor inconvenience, I don't believe it necessitates the award of a payment for the trouble caused. I think on balance, given the nature of the conversation that Miss O held with CSD, it's more likely than not that the account would've been closed anyway and, in any event, from what I've seen, despite CSD's offer to reinstate the account as soon as 3 December 2024, Miss O has failed to accept that offer. I'm therefore satisfied that CSD have done enough to put things right for Miss O in the circumstances.

Miss O says that she wants a formal acknowledgement from CSD detailing the measures taken to ensure such incidents do not occur in the future. I think it's important to be clear about the remit of this service; we're not here to regulate businesses or tell them how to undertake their operations. Our role is help resolve complaints between firms and consumers quickly and informally so we wouldn't typically direct them on how they should undertake their commercial affairs – that's a matter for them.

My final decision

Raymond James Wealth Management Limited, trading as Charles Stanley Direct, have already offered to re-open Miss O's investment ISA to settle the complaint and I'm satisfied that this offer is fair and reasonable in the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 28 October 2025.

Simon Fox
Ombudsman