

The complaint

The estate of Mr A, represented by Mr R in his capacity as executor of the estate, complains that Financial Administration Services Limited (FASL) have settled a transaction incorrectly.

What happened

The late Mr A held investments with FASL. After his unfortunate passing, Mr R instructed the closure of Mr A's FASL account and most of the holdings were settled by the end of September 2023. Mr R queried one of the holdings, an Australian dollar cash fund, which hadn't been settled. This holding was eventually settled in March 2024 for c.£21,000.

After receiving the funds Mr R complained to FASL about the amount the estate had received as it was lower than expected as he'd been told that it was c.£42,000. FASL looked into his concerns and said, in summary, that the holding was in Australian dollars (AUD) not Pounds sterling (GBP) which had resulted in the lower sum.

Mr R didn't accept their findings and asked for our help with the matter. The complaint was considered by one of our investigators who didn't uphold it. He thought that FASL had made errors when they'd told Mr R that the holding was in GBP, but believed that the available evidence showed it was in AUD. He noted that FASL had offered to pay the estate £750 for the inconvenience caused, but was also of the opinion that FASL should have made the payment to the estate in September 2023 and therefore should pay late payment interest on the delayed sum in order to put things right.

Mr R didn't accept the investigator's findings as he remained of the opinion that the holding was in GBP. He also thought that FASL should have made the payment to the estate in April 2022 which would mean that more late payment interest was due. And he pointed to several instances of poor service he'd received from FASL which he thought warranted compensation.

The investigator wasn't persuaded to change his opinion so the complaint has been passed to me to decide.

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 think this complaint should be upheld and I will now explain why.

I've firstly considered the issue of whether the holding was in GBP or AUD. I note the points made by Mr R, namely that the previous information he'd been provided with explicitly stated that the holding was in GBP. I don't dispute that Mr R was sent correspondence that said the holding was in GBP. However, I've also seen information from other independent sources which state that the holding was priced in AUD.

I've also seen screenshots of correspondence FASL sent to Mr R, including a statement

from 2020 and confirmation of the sale of the holding in 2022, which show that the holding was priced in AUD, and the settlement amount was AUD \$42,745.16. FASL have also provided evidence from their ledgers which show that the settlement amount was held in AUD.

Taking all this evidence into account, I'm satisfied, on balance, that the holding was priced in AUD and not GBP. Therefore, the sum of AUD \$42,745.16 that FASL paid to the estate of Mr A was correct and I haven't seen sufficient evidence to show it should have been GBP £42,745.16. So, I don't think FASL need to take any further action in respect to this particular complaint point.

I've then gone on to consider the issues around the delay in making the payment to the estate. From what I've seen, FASL wrote to Mr R in January 2022 and explained that the holding was going to be sold and the funds paid into bank account held on file.

The letter also said *"Amounts which cannot be distributed to Shareholders or are not claimed by Shareholders (e.g. unclaimed redemption proceeds) within a maximum period of nine months from the decision of the Board to close the Sub-Funds will be held in escrow accounts by the Caisse de Consignation in Luxembourg. Depending on the liquidation process, such nine-month period may be extended subject to the approval of the Luxembourg regulator, the Commission de Surveillance du Secteur Financier."*

All units in the holding were sold on 26 April 2022. At the time FASL wrote to Mr R to confirm that sale had taken place and payment would normally be made within five working days. As I've previously noted, the letter confirming the sale stated that the settlement amount was 42,745.16 and the settlement currency was in AUD. As FASL didn't hold a bank account for the estate, the proceeds were moved to an internal account. I don't think this was an unreasonable course of action, given that Mr R didn't contact them to advise that he hadn't received the proceeds. With this in mind, I don't think I can fairly say that FASL should pay late payment interest from the time they sold the holding as they acted within the terms they'd set out in their letter of January 2022.

The funds remained in the internal account until Mr R contacted FASL in September 2023. He asked for all the estate's holdings to be sold and provided details of a bank account where the proceeds should be paid to. All of the estate's other holdings were sold and the proceeds sent to the account Mr R had provided. However, the proceeds from the sale of the Australian dollar cash fund weren't sent to the account. This sum remained with FASL until Mr R chased the matter in February 2024.

I think FASL should have paid this sum to the estate in September 2023 when they settled the proceeds from the sale of the other holdings. I can see that they've agreed to pay late payment interest on this sum at a rate of 8% simple interest. I think this is fair and reasonable in the circumstances and is in line with what I would have awarded had they not offered to do so. I think for simplicity; they should calculate the interest due using the figure of £21,395.04 the estate received in March 2024.

They've also offered to pay Mr R an additional £650 for the inconvenience that they've caused him. I note Mr R's comments about this award, but I am unable to give an opinion on this offer. This is because the rules that govern this service (the DISP rules), don't allow me to make an award for inconvenience suffered by someone acting in their capacity as executor of estate.

I can only award compensation for distress and inconvenience to the eligible complainant – which in this instance is the estate of Mr A. From what I've seen, Mr R is the person who has potentially suffered distress and inconvenience, but this was in his capacity as executor of

the estate. As he isn't the eligible complainant, I am unable to award him compensation. FASL have said that their offer is still open to Mr R, so he should contact them if he wishes to accept it.

Putting things right

FASL should pay the estate of Mr A late payment interest at a rate of 8% per year simple on the sum of £21,395.04 for the period between when they should've made the payment on 20 September 2023 to the time when they made the payment on 21 March 2024.

My final decision

For the reasons I've given above, I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr A to accept or reject my decision before 18 July 2025.

Marc Purnell
Ombudsman