

The complaint

Mr L complains that Invesco Fund Managers Limited (“Invesco”) unfairly delayed the transfer of his stocks and shares ISA to another provider, who I’ll refer to as “C”.

Mr L also referred a complaint about C’s involvement in his ISA transfer to our service. My decision below relates only to Invesco and its involvement in this matter.

What happened

Mr L had a stocks and shares ISA with Invesco. In March 2023 he decided to consolidate his holdings with Invesco, and other providers, into one ISA with C. To enact that, he instructed C to initiate the transfer of his ISA from Invesco to C, which he did on 5 March 2023. As that instruction was experiencing issues being requested online, Mr L’s transfer request was sent to Invesco by post.

When Invesco received the transfer request on 11 April 2023 it says it responded to C with the account valuation as would be standard, waiting then for C to confirm its acceptance to transfer the ISA across.

Invesco received that acceptance on 11 May 2023, which included the account information for the existing holdings to be transferred to, so they could be held with C’s nominee. But Invesco wouldn’t complete the transfer due to the address for the nominee C instructed the assets be sent to not matching its internal records. It wrote to C on 15 May 2023 to explain this and asked C for an updated transfer instruction. The issue repeated several times over the following months with Invesco explaining to C each time that the addresses didn’t match.

As the issue wasn’t resolved, Invesco couldn’t complete the transfer. But the transfer did briefly progress with three of Mr L’s four fund holdings being transferred to C on 1 August 2023, with the fourth following through on 12 August 2023. This was later reversed by Invesco on 3 October 2023 on the basis the transfer shouldn’t have taken place because the addresses still hadn’t matched.

Following this Mr L submitted a new transfer request which was sent to Invesco on 30 October 2023, which had manually overridden the address for C’s nominee, so it now matched the address Invesco was expecting. Invesco responded to C rejecting this updated request. While the addresses matched, it thought the instruction within the form was contradictory causing it to refuse the instruction.

Given the time taken to complete the transfer between Invesco and C, Mr L decided to transfer his ISA instead to another firm and the transfer between Invesco and C ceased.

Frustrated with the time the transfer had taken, Mr L complained to Invesco on two occasions. The events being covered within those complaints being the delays caused by the address issue and then those that took place once the address issue had been resolved. He felt Invesco had taken too long to transfer the ISA, resolve the matters causing those delays, and reversing the transfer.

Invesco responded to Mr L's complaint explaining it had handled his transfer fairly and promptly responded to C throughout. And that the delays and reversal were due to C providing incorrect addresses and later providing an unclear transfer instruction.

Mr L still continued to feel that Invesco were responsible to some extent for the delays, and the loss he has incurred because of that. He referred his complaint to our service where it was considered by one of our Investigators, who didn't uphold the complaint. He said this was because he considered the delays to stem from C's actions and Invesco had clearly communicated the issues preventing the transfer to C. And that while the reversal of the transfer caused confusion he didn't consider it required Invesco pay compensation for that.

While Mr L was initially satisfied with our Investigator's explanation, as his complaint against C progressed he saw later to disagree with our Investigator's outcome. As he didn't agree with the conclusions reached, his complaint was passed to me to decide.

I issued a provisional decision as I reached a different conclusion to our Investigator. Explaining my outcome and allowing the parties an opportunity to respond, in my provisional decision I said:

"In my view until 30 October 2023, the issue preventing the ISA transferring was the address Invesco was expecting for C's nominee differing to what C instructed – 'the first delay'. The cause of the delays from then were that Invesco thought C's instruction was unclear – 'the second delay'. I'll address each delay in turn.

The first delay

In July 2015, C's nominee, through its agent, requested Invesco open an account for it, seemingly for the purposes of asset transfers.

I've seen a copy of the completed application form used to instruct that which shows two addresses being provided. The first is the address added in the 'permanent residential address' field which was asked for by the form – 'Address X'. And the second address – 'Address Y' – which wasn't asked for by the form and was handwritten a few boxes underneath, in a section of the form containing a data protection opt-out statement, with the address being listed as a 'correspondence address' in the same handwriting.

The cover letter accompanying this form, which was sent by the nominee's agent, asks for the account to be opened for the nominee and for the agent's correspondence address to be linked to the account. The address given as the correspondence address was given as being Address Y. Also of note is the top left of this letter shows the agent's name and Address Y as the sender's details. I've also considered that the Companies House records for C's nominee shows Address X to be its registered address since April 2005.

In my view then Invesco had enough information for it to ought to have known it was being asked to use Address X for the nominee, but to communicate with its appointed agent using Address Y. It's unclear if that's how Invesco understood this instruction at the time, but it appears to have one way or the other recorded the purposes of the addresses in reverse. In addition to C using the primary address it set out on the 2015 application form in the transfer request, I've seen that Invesco sent the letters rejecting the transfer to the nominee at Address X when they ought to have been, following the instructions on the form and letter, been sent to its agent at Address Y, given this was correspondence. Whereas the evidence available demonstrates should be the other

way round. Overall in my view that evidence demonstrates the reverse recording of the addresses by Invesco.

I've considered what Invesco has said that firms can have different addresses for different accounts for different types of transfer. But I'm not persuaded that's what's happened here. In my view, given what I've said above, I think it's more likely the addresses were recorded in reverse of each other.

As the account opening instruction in my view was reasonably clear, I'm satisfied Invesco had enough information to correctly record the nominee address as being Address X. Which would have the effect of Address X being the address Invesco would expect for postal transfer instruction for Mr L's ISA it received from C.

While the issues relating to the recording of the address appear to have taken place many years before Mr L's transfer request, from the information provided it appears that postal transfer requests between Invesco and C are rare, and the matching of addresses which affected Mr L isn't required for online transfers. I think that likely explains why this issue hasn't seemingly been identified before Mr L's transfer. And given the transfer did temporarily complete using Address Y, it does demonstrate the potential for oversight in that address information not matching in prior transfers which may have prevented this issue being identified. But regardless of how or why that happened, I'm satisfied when Mr L requested his transfer that Invesco had an incorrect address recorded for C's nominee for the purposes of transferring assets.

In my view then the transfers being instructed by C were carried out using the correct address, and Invesco ought to have matched that address had it correctly recorded them. And had it, then it follows as the version of the form completed at that time didn't contain the additional 'both' box, which is what led Invesco to say that instruction was contradictory and so couldn't complete, I think it's likely Mr L's ISA would've transferred within a reasonable period on the first attempt.

It follows then I'm provisionally persuaded that Invesco unfairly delayed Mr L's ISA transfer. I'll set out below how I intend to direct Invesco to put things right with him.

The second delay

Invesco didn't think the updated transfer request in October 2023 was clear because C had since added an additional box to its form labelled 'both'. This sat on the same line but after the other singular options to transfer cash or in specie. Later in the form however is the instruction for each of the four funds Mr L was asking to transfer, all of which had an instruction whether to transfer as cash marked as 'No'.

In my view I think it's likely C was asking Invesco to send the assets in-specie with any residue cash on the account to be sent as cash. The instruction to Invesco then was I think reasonably clear. However, I've also considered that I don't think it is unreasonable Invesco had its own tolerances on the clarity of instructions. I say this because it has obligations to protect the assets it was holding for Mr L, if it were for example to act on unclear instructions and that was wrong then it could be considered to have failed to correctly administer his assets. While I think Invesco could've perhaps enacted the transfer on that form, overall, on balance I can't fairly say it was acting unreasonably by not doing so in the circumstances.

It follows then I don't find Invesco responsible for this part of the delay where it received instructions it was unsure of and did promptly question them with C.

Putting things right

My aim here is intended to put Mr L in the likely position he would be in had the transfer taken place in a reasonable period. Given HMRC's guidance sets out that a stocks and shares ISA like Mr L's ought to take no longer than 30 calendar days, I think it's fair and reasonable to say that his ISA would've taken that long from the point Invesco received his transfer request from – which would be 11 May 2023.

Mr L has set out the financial loss he considers he incurred from the delay. He says this is the higher fees – 0.75% compared to C's 0.1% – he continued to pay to Invesco and the loss of opportunity from fund switches he would've instructed to reduce his UK based holdings. He also feels he should be compensated for the inconvenience and frustration caused by the delays which includes dealing with the firms involved.

I understand the point Mr L makes, which he provides a reasonable explanation for, that he would've invested differently, specifically reducing his UK exposure, had his ISA transferred when it ought to have. I've considered this point, but I can't fairly say I'm persuaded it would be fair to settle his complaint as he's suggested around that. I say this because there was a period of around a month when the funds he says he would've sold did transfer to his ISA with C in October 2023. Had he enacted sales at this point, given they had transferred over, I think it's likely they would've successfully sold giving him then the opportunity to decide how to reinvest. Where those assets weren't sold during that period, it doesn't persuade me he knew the exact action he was going to take when the ISA transferred outside of his general intention to reduce his UK holdings. As I can't fairly say he would've carried out a particular trade, I'm not intending to direct Invesco to make a settlement for that part of his complaint.

However, Mr L may have paid higher fees than he would've had the transfer completed when it should've. I've not seen evidence of the fee rates either Invesco or C were charging at the time for holding Mr L's funds. But I don't need that information to make an award here, instead I'll set out to Invesco below how I intend for it to settle that aspect of Mr L's complaint. Which I'll do below.

Lastly, the delay has in my view caused Mr L a degree of stress and frustration. He's had to communicate with both the firms involved several times and has found the handling of his transfer a source of stress over a prolonged period, around nine months. This frustration would also include the additional frustration caused by the transfer appearing to complete but being reversed, which ought not to have occurred given the transfer should've completed on the first attempt. In my view that frustration and inconvenience stems from Invesco's recording of the addresses as set out above. I intend then to also award an additional payment of compensation which I think fairly reflects the inconvenience caused.

I intend to direct Invesco to settle this complaint as follows:

- Calculate the difference in fees between 11 May 2023 until his ISA transferred to his new provider, based on the rate Invesco charged him and C would've charged him in that period.
- If that amount shows a financial loss, then Invesco would need to pay that amount to Mr L along with an amount reflecting 8% simple interest on that amount.
- Pay Mr L £350 for the frustration and inconvenience caused."

Both Mr L and Invesco responded to my provisional decision accepting the conclusions I reached providing no further submissions or evidence for me to consider.

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 both parties have agreed to accept my provisional decision, I've not seen to depart from the conclusions I reached in that.

It follows then my final decision is the same as my provisional decision and I direct Invesco to compensate Mr L as I set out in my provisional decision. For clarity, that is as follows:

- Calculate the difference in fees between 11 May 2023 until his ISA transferred to his new provider, based on the rate Invesco charged him and C would've charged him in that period.
- If that amount shows a financial loss, then Invesco would need to pay that amount to Mr L along with an amount reflecting 8% simple interest on that amount.
- Pay Mr L £350 for the frustration and inconvenience caused.

My final decision

I uphold this complaint and direct Invesco to compensate Mr L as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 15 July 2025.

Ken Roberts
Ombudsman