

## The complaint

Miss K complains that A J Bell Management Limited trading as AJ Bell ('AJ Bell') failed to make clear the fees it would charge for an ISA transfer. She also said AJ charged too much and delayed her transfer.

## What happened

Miss K had a stocks and shares ISA with AJ Bell. She was considering transferring the assets in the ISA to a different provider. She checked AJ Bell's website and found that it said she could make the transfer at no charge.

Miss K applied for the transfer and AJ Bell emailed her saying, amongst other things, that there was '*no charge*' to transfer cash or any underlying assets. However, Miss K's chosen provider wouldn't accept the particular investments that were held in Miss K's ISA and so said the transfer had to be in cash. So AJ Bell asked Miss K to liquidate her assets to enable the transfer to happen in cash. AJ Bell added, '*Please note that for each sale placed, there is a dealing charge*'.

There followed several exchanges between Miss K and AJ Bell, both in writing and by phone, and as part of AJ Bell's complaints process. In summary Miss K said AJ Bell had misled her by saying it wouldn't charge a transfer fee. And AJ Bell said it had been correct to say it didn't charge a transfer fee because the dealing fee for disinvesting was a different thing and, although Miss K would have to pay a dealing fee due to her particular circumstances and the particular transfer she wanted to make, dealing fees didn't necessarily apply to all transfers.

Miss K also said AJ Bell provided misleading information about its dealing fees for funds because it said the fee for funds was £1.50 but it charged £5 for ETF deals even though an ETF is a type of fund. In response AJ Bell referred Miss K to information on its website which said the dealing fee for '*shares*' was £5, and '*shares*' included ETFs.

Miss K referred her complaint to this service. In summary she said the following:

- Neither AJ Bell's website nor its initial email had mentioned that she'd have to liquidate investments for a cash transfer or that she'd have to pay a fee for that. And AJ Bell had in fact said there were no charges to pay.
- Information AJ Bell provided after Miss K queried the fees and complained was confusing and unhelpful. And when AJ Bell told her the only way to transfer without a fee was to do so *in specie*, that confirmed that AJ Bell had been wrong to say a cash transfer could be done for free.
- AJ Bell sought to charge a £5 dealing fee for an ETF when its fee for funds was £1.50 and an ETF was a type of fund. AJ Bell was then unable to explain why this was and it sent her information about ETFs which increased her confusion because it said ETFs generally had lower fees than traditional funds.

- While AJ Bell was considering her complaint Miss K's transfer had to be cancelled.

One of our investigators considered Miss K's complaint. She concluded that AJ Bell hadn't acted unfairly towards Miss K. She said AJ Bell didn't charge a transfer fee so it hadn't been wrong to say there was no transfer fee. And she said AJ Bell's terms and conditions set out what charges applied to its services, and its website displayed the fees, including that the fees for share dealing applied to ETFs because ETFs were classified as '*shares*' on AJ Bell's website. About delay, the investigator said the transfer was cancelled because Miss K hadn't liquidated her holdings so it couldn't go ahead, and it wouldn't be fair to penalise AJ Bell for Miss K's decision not to proceed.

Miss K disagreed with the investigator's view. She said she hadn't selected a cash transfer – she'd simply requested a transfer – because she hadn't known that there were different types of transfer. And she asked the investigator which part of AJ Bell's terms and conditions made clear that Miss K would have to pay a fee to have her ISA transferred.

The investigator further said the other provider had requested that the transfer be in cash because it didn't accept the investments that Miss K held. And part 9.2 of AJ Bell's terms and conditions said that if a transfer was to be in cash then the customer would have to sell the holdings so they would be in cash and could then be transferred. The investigator also said that because AJ Bell operated an execution only platform the onus was on Miss K to find the information that was relevant to her, and the investigator couldn't see that AJ Bell had misinformed Miss K.

Miss K said she didn't think it was fair to say it was Miss K's responsibility to read and query anything she was unsure about because she'd already queried the charges previously. She thought AJ Bell hadn't made the charges clear. She also said she had no recollection of the terms and conditions the investigator mentioned.

Because no agreement could be reached, the complaint was passed to me to review afresh and make 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'm not upholding the complaint. I'll explain why.

The purpose of this decision is to set out my findings on what's fair and reasonable, and explain my reasons for reaching those findings, not to offer a point-by-point response to every submission made by the parties to the complaint. And so, while I've considered all the submissions by both parties, I've focussed here on the points I believe to be key to my decision on what's fair and reasonable in the circumstances.

It's not in dispute that AJ Bell said – on its website and in emails – that there would be no charge for the transfer of an ISA. Miss K argues that, by charging her to liquidate her holdings in order that they could be transferred in cash, AJ Bell was, in effect, charging her a transfer fee.

Having thought carefully about everything Miss K has said, and all the other available evidence, I'm unable to conclude that by charging for the liquidation of an investment holding AJ Bell was in effect applying a charge for the transfer of an account. And it follows that I'm not persuaded AJ Bell misled Miss K.

It's true that in Miss K's particular circumstances she couldn't transfer her ISA to her chosen provider without paying a fee. But that was because her chosen provider wouldn't accept the investments she held and so requested that the transfer be in cash. Where a customer already held cash in an ISA or transferred investment holdings *in specie*, that customer wouldn't incur any fee from AJ Bell to transfer the ISA out.

The fee AJ Bell proposed to charge Miss K in these circumstances was not for the transfer itself – it was for liquidating her assets. As I've said, some transfers will be able to go ahead without any liquidation and so without any fee. The fact Miss K had to liquidate holdings to make the particular transfer she wanted to make didn't mean she was charged a fee for the transfer itself. The fee that applied to liquidating Miss K's holdings was the dealing fee that would apply to orders generally, not only to orders that were made with the intention of transferring. So I'm satisfied it wasn't unfair or unreasonable for AJ Bell to say it didn't charge a transfer fee.

Miss K suggested that, to be fair, AJ Bell ought to have caveated its communications to say customers wishing to transfer their ISAs would or could incur dealing fees. What Miss K suggests would no doubt be helpful for some consumers. But it remains the case that AJ Bell did communicate its dealing fees. And AJ Bell didn't suggest that investment holdings could be transferred as cash without needing to be sold first. If Miss K was unaware that her chosen provider wouldn't accept her holdings in their current form – and that she would need to request a cash transfer – that doesn't indicate a failing by AJ Bell.

Also, looking at what happened in Miss K's case, I see that after Miss K requested the transfer AJ Bell did communicate promptly to her that she'd need to liquidate her holdings for the transfer she wanted to make, and that doing so would incur dealing fees. I understand Miss K likely means AJ Bell should've included this information on its website and in its initial emails. But, despite the fact that AJ Bell didn't provide information in the way Miss K thought best, I don't find that AJ Bell's communication was unfair or unreasonable. The information it provided wasn't inaccurate. And when Miss K's circumstances required liquidation, which would itself incur a fee, AJ Bell communicated that fact promptly and clearly to her.

When Miss K told AJ Bell she was confused by whether or not she'd incur any fees, AJ Bell made her aware of the applicable fees early enough in the process that Miss K could decide not to proceed with the transfer and so not incur the fees. At that point, if it was important to her, Miss K could've looked for an alternative provider that could accept the transfer of her investments *in specie* so that she could transfer her assets without incurring any fees. So, again, I don't find that AJ Bell's communication was unfair or unreasonable towards Miss K.

I realise Miss K was in an undesirable position because her investments were in funds that weren't accepted by her chosen provider. So she couldn't now move her assets direct to that provider without liquidating and so incurring AJ Bell's £5 dealing fee. But the fee was communicated in the terms and conditions of the account, and I can't say AJ Bell wasn't entitled to charge it.

The information about ETFs that confused Miss K described the difference between ETFs and funds generally. Miss K was confused by the fact the information said ETFs usually had lower fees, but AJ Bell wanted to charge a £5 dealing fee for ETFs when the fee for funds generally was £1.50. I understand the information in question was likely to have been referring to the fact that ETFs generally have lower management fees because they passively track an index and so require less management than types of funds which are more actively managed. In any case, I don't find that the information AJ Bell sent to Miss K was wrong or that it gives me any basis to uphold this complaint.

Miss K said in response to the investigator's view that she hadn't seen the terms and conditions and didn't have a copy of them in her records. Despite this – and I don't doubt what Miss K's said here – I find that on balance Miss K is more likely than not to have been provided with the terms and conditions and asked to accept them when she opened her account. That is standard practice for the opening of new accounts amongst financial service providers such as AJ Bell. It's generally not possible to open an account without having agreed to the terms and conditions.

It's not evident to me that AJ Bell delayed the transfer of Miss K's ISA. If Miss K chose to postpone the transfer in order to challenge AJ Bell's proposed fees before going ahead – and if the transfer was then cancelled because Miss K didn't liquidate her holdings to facilitate the transfer – that's not something for which I think AJ Bell is at fault.

Overall, I'm sorry Miss K feels it's unfair that she should have to pay a dealing fee to enable her chosen transfer. But I haven't been able to conclude that AJ Bell has acted unfairly or unreasonably towards her in the particular circumstances of this complaint. So I'm not requiring AJ Bell to do anything.

### **My final decision**

For the reasons I've set out above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 2 January 2026.

Lucinda Puls  
**Ombudsman**