

The complaint

Mr S complains that Odey Wealth Management (UK) Limited (“OWM”) should’ve done more to ensure that the fund manager of one of his funds claimed the relevant tax rebates.

What happened

Mr S held shares in the GenFunds Natural Resources Fund via OWM. In March 2023, a Compulsory Redemption notification was issued which valued Mr S’s holding at just over £204,000. However, the US Bank which remitted the relevant proceeds retained 3% of the total redemption for tax reasons. In February 2025 Mr S had still not received the retained portion of the proceeds and so raised his complaint with OWM.

OWM looked into his concerns but didn’t think it had done anything wrong. In summary, it said that the fund managers were responsible for how withholding tax claims were dealt with and booked. It said the prospectus of the fund made clear that the Directors of the Master Fund “will have sole discretion as to whether the Master Fund will apply for such benefits and may decide not to apply for such benefits if they determine that it may be administratively burdensome, cost prohibitive or otherwise impractical”. As a result, it didn’t uphold his complaint.

Mr S remained unhappy and referred his complaint to this service. One of our investigators looked into Mr S’s complaint, but agreed that it shouldn’t be upheld. In summary, she didn’t think it was OWM’s role to manage the fund in any way nor to apply or claim the withheld tax on the fund’s behalf.

Mr S didn’t agree with the investigator and asked for an ombudsman’s decision. He said:

- OWM’s role extended beyond “mere execution” of his instructions. He said that OWM was required to adhere to the principles and as his “portfolio manager”, was required to act with due, skill, care and diligence. He said this included “monitoring whether appointed investment managers were pursuing legitimate tax reclaim processes that directly affect client returns”. Mr S claimed that execution only was primarily to do with his trade instructions, not the “wider obligation to ensure clients are not exposed to foreseeable, avoidable loss”.
- OWM facilitated his investment and therefore “had an ongoing duty to monitor and administer aspects of the investment that directly impacted” his returns, “particularly where they were aware of potential entitlements like dividend withholding tax rebates”. In Mr S’s view, OWM failure to “ensure or escalate” the claiming of these rebates meant that it failed to act in his best interests.
- COBS 11 and best execution extended to ensuring “efficient handling of post-trade matters like tax reclaims where the firm has influence or knowledge”. He claimed the integrated nature of the Odey Group meant that OWM had a responsibility to pursue the claiming of the tax rebates.
- Precedents from the service supported his complaint.

- The prospectus did not absolve OWM of responsibility. He said that the fund manager's discretion did not shift all accountability away from his wealth manager. Mr S then made submissions in support of the claiming of the rebates and why the fund manager ought to have exercised the discretion to claim them.
- His prior employment was not relevant nor was OWM's voluntary liquidation.
- The investigator's conclusions were flawed because it would create a "precedent allowing portfolio managers to disclaim responsibility whenever underlying fund managers fail in their duties, leaving clients without protection in circumstances where foreseeable and preventable losses arise".

As an agreement couldn't be reached, the case was 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.

I've read and considered Mr S's submissions in their entirety, even if I've only summarised them above. Having done so, I'm sorry to disappoint Mr S but I'm not persuaded by his interpretation of the rules.

First of all, from the evidence I've seen, OWM was providing execution only services to Mr S – in other words, it had no discretion over his investments or how they were managed. Execution only in this context refers to the relationship between Mr S and OWM, not just to what investments he wanted to buy. Mr S has claimed that OWM had oversight and monitoring responsibilities over his investments, but I've seen insufficient evidence that OWM had a contractual or regulatory obligation to do so. From what I've seen, OWM was providing an account through which Mr S could hold his investments – it was neither managing them for him, nor advising him on them. Clearly there were rules which OWM needed to follow in the course of discharging its obligations to him – for example around the type of information it needed to give him, its general communications, how it charged him and how it facilitated his instructions and transactions.

But it was not responsible for chasing up individual funds on his behalf – I've seen insufficient evidence that its role extended to overseeing whether funds had followed the prospectuses or otherwise exercised relevant discretions correctly. And to be clear – its role in providing best execution had absolutely nothing to do with this either. This obligation only applied to its role in "executing orders" and obtaining the best possible price – it didn't extend to following-up withholding tax rebate claims years after the purchase of an investment.

Furthermore, the fund's prospectus in my view is crystal clear that the sole and absolute discretion in relation to this issue lay with the board of directors of the fund. Whilst I appreciate Mr S has strong views about whether or not such a claim should or could have been made, OWM had no responsibility or say over this.

Mr S has made reference to other decisions. Every case is decided on its own merits and so this service doesn't operate on the basis of precedent like the courts do. Nevertheless, the decisions Mr S has referred to are not relevant here – the first one was a complaint that was *not upheld*. And the second relied on a SIPP provider's terms which specifically allowed the recovery of withholding tax. Furthermore, the issue in Mr S's case is that the fund itself needed to reclaim the tax – not the platform or the wrapper.

Finally, whether or not OWM and the fund manager were part of the same extended financial group isn't relevant. The firms are all separate legal entities, with separate authorisations and responsibilities. As a result, I cannot hold OWM responsible for things it wasn't legally or contractually required to do – and in this case, this means anything to do with the management or running of the fund.

I'm sorry to disappoint Mr S, because I can see that he has pursued this matter with multiple parties and about multiple funds. But in my view, OWM has done nothing wrong in this instance and I don't uphold his complaint. I note that OWM's liquidators have been in touch with the fund managers and provided some additional information to Mr S, and I do hope he found that helpful.

My final decision

My final decision is that I don't uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 16 October 2025.

Alessandro Pulzone
Ombudsman