

The complaint

Trustees from T complain about Scottish Widows Limited (trading as Halifax Financial Services 'HSF'). They say HSF hasn't paid enough compensation for the delay and poor communication, in relation to a fund switch request, in a personal investment plan.

The trustees would like HSF to increase the amount it has paid for the distress and inconvenience it has caused and waive a year's worth of management fees.

What happened

T was set up by the trustees to hold a personal investment plan with HFS. Mr D, one of the three trustees, has represented the trust throughout this complaint with HFS and our service.

Mr D's mother, also a trustee, set up the investment plan with HFS and established the trust with Mr D and Mrs D as the other trustees. On 13 November 2024, HFS received a completed investment change form requesting that five funds be switched into a revised selection of four funds.

The switch did not go according to plan, but HFS sent letters in December 2024, incorrectly stating that the switch had been completed. In January 2025, HFS then advised Mr D that one of the requested funds was not available, and then incorrectly referred to the investment plan as being invested in pension funds, adding to the confusion.

Mr D sent revised instructions on 11 February 2025, and the switch was completed on 12 February 2025. HFS backdated the transaction to November 2024 so the prices applied were those that would have been used had the instruction been carried out correctly at the outset.

Mr D on behalf of the trust complained to HFS that it had failed to complete the original switch instruction correctly or in a timely manner. He said HFS gave incorrect and confusing information about funds and the nature of the policy. He said he had to regularly deal with poor communication over a period of several months. He said HFS also didn't provide fund risk ratings on its website. He complained to HFS about all of this.

HFS responded to Mr D and accepted that it had failed to action the original instruction properly. It said it had provided inaccurate information and failed to respond adequately to his queries. Although it said, it had resolved the switch and backdated the units so that the trust didn't suffer any investment losses. HFS offered to pay Mr D £650 for the distress and inconvenience it had caused.

Following further representations from Mr D about how this complaint had caused him significant stress, HFS increased the award by £200, making a total of £850 paid.

Mr D said that HFS's payment was insufficient and that given the length of time the trust has been in existence and the level of service received along with mistakes made, HFS should also refund around one year's worth of fees and charges.

An investigator looked into the trust's complaint. He said he felt HFC's offer and payment of £850 for distress and inconvenience to be fair and reasonable in the circumstances, considering the mistakes made by HFS. He concluded that it didn't need to do anymore.

Mr D on behalf of the trust was not in agreement with the investigator's view and made a number of comments about the mistakes made by HFC and the impact they had. He also mentioned that HFC didn't have risk ratings for some of the funds on its website, but did for others and that it ought to have this on all of them.

Because the parties are not in agreement, the trust's complaint has been passed to me, an ombudsman, to look into.

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 independently reviewed the trust's complaint and have arrived at the same outcome as the investigator, for broadly the same reasons. I will explain why.

It is clear that HFS made mistakes in the way it dealt with the trust's initial switch instructions and then in the way it communicated to Mr D, one of its trustees. I don't need to make any more findings about whether HFS didn't do what Mr D has complained about, because it said it didn't. It has taken responsibility for its mistakes here.

So, what is left, for me to decide and what is the crux of the trustees complaint is whether HFS has done enough and whether it's payment of compensation was fair and reasonable in all the circumstances.

Firstly, I am satisfied that HFS took appropriate steps to ensure there was no financial detriment. The switch that was completed in February 2025, included backdating to the date of the original instruction, meaning the policy received the same pricing it would have had, if the process had been handled correctly from the start.

The remaining issue is therefore the level of compensation for distress and inconvenience, and Mr D's request that HFS waive a years' worth of fees. HFC has up to now paid a total of £850 that it says is for the distress and inconvenience it has caused Mr D, as he has tried to resolve matters with it.

I have looked at the prolonged administrative error caused by HFC and its repeated incorrect communications, and the impact it has had on Mr D in particular, as the trustee that has had to deal with the issues raised. I think, in consideration of this, the payment made by HFC to be fair and reasonable. The payment is reflective of the significant impact HFC's mistakes has caused Mr D. The payment sits towards the upper end of awards for distress and inconvenience that I would look to make in these circumstances, and with that in mind, I don't think any additional payment is warranted here. I can see that it has already paid the amount it has offered.

I've considered Mr D's suggestion that HFC refund a year's annual management charges. But again, I don't think it would be fair or proportionate for me to require HFS to do this, in addition to what it has already paid. The fees are contractually due and relate to ongoing management of the investment plan. As I have found compensation already paid fairly recognises the distress and inconvenience HFC has caused, I don't think it needs to do anything more.

Finally, Mr D has raised concerns about the absence of published fund risk ratings and suggested this may breach regulatory requirements. I acknowledge Mr D's comments but can also see that HFS and the investigator have provided responses about this, and I don't have anything else to add to what has already been said. ultimately, I don't think Mr D's comments about risk ratings make any difference to the outcome of his complaint here, with regards to the mistakes HFS have made and have taken ownership of, and the compensation that it has paid to him.

In conclusion, HFS has accepted it made mistakes and has paid compensation for this. I think what it has paid is fair and reasonable in the circumstances, and I don't require it to do anything further.

I appreciate that my decision will be disappointing for Mr D, and I acknowledge the strength of his feelings in the submissions provided. But based on everything I have read and the findings I have given, I don't uphold T's complaint.

My final decision

My final decision is that I do not uphold T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 16 February 2026.

Mark Richardson
Ombudsman