

The complaint

Miss C disputes two payments taken by Scottish Friendly Asset Managers Limited ('Scottish Friendly') in March 2025.

What happened

On 3 March 2025, Scottish Friendly took two direct debit payments from Miss C totalling £60 (£25 and £35). Unhappy these payments were taken, Miss C contacted Scottish Friendly requesting a refund.

Following an investigation, Scottish Friendly sent Miss C a final response letter dated 2 April 2025. The letter addressed the £35 payment, explaining that this amount was collected for ISA policy T945172 on the agreed monthly payment date. Scottish Friendly noted that Miss C had requested closure of this policy on 10 March 2025 - one week after the payment was taken. It processed the closure request, paying the ISA proceeds of £2,456.20 into Miss C's designated account and sending confirmation of this transaction on 12 March 2025.

Scottish Friendly explained that since the closure instruction came after the 3 March 2025 payment date, the £35 direct debit was valid and that this amount had been included when it calculated and paid the surrender value to Miss C.

A subsequent response was sent concerning the £25 direct debit it had collected. Scottish Friendly explained it discovered Miss C had a second customer profile that was still linked to her previous address. It clarified that the £25 payment related to a bond L9041561 that commenced on 1 September 2020 and was scheduled to mature on 1 September 2030. It didn't uphold her complaint explaining both payments it had taken were owed. Still dissatisfied with Scottish Friendly's response, Miss C escalated the matter to this service.

Our investigator looked into the complaint and found Scottish Friendly hadn't made an error. In summary, he thought said the instructions to cancel both policies came after the payments were due, so the payments were taken correctly. Further, even though Miss C had no recollection of taking out the bond, the evidence shared by Scottish Friendly supported that it was under her name and matched her DOB, albeit showing under her previous address rather than her current one. He also outlined Scottish Friendly didn't set up for the direct debit for the bond; only the account holder could do that and that payments for the bond had been paid every month since inception of the policy in 2020 until it had been cancelled by Miss C in March 2025.

Miss C didn't agree with the investigator, so the case has been passed to me for review.

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 intending to uphold Miss C's complaint for broadly the same reasons as the investigator. I'll explain why, but before I do, I note Miss C has provided several submissions to this service regarding this complaint. I'd like to thank her for her time, and I hope they don't consider it a discourtesy where I've concentrated on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.

Is a £35 refund for ISA policy T945172 due?

Both Miss C and Scottish Friendly have confirmed that she held three ISAs, with two policies (T950733 and T1051762) being withdrawn in December 2024. The remaining ISA (T945172) continued until Miss C withdrew it on 10 March 2025.

When opening this ISA, Miss C had agreed to make monthly contributions – starting initially at £10 and later increasing to £35 on a specified date. The evidence from Scottish Friendly shows that Miss C's cancellation request was made on 10 March 2025; a week after the payment on 3 March was collected - and was confirmed by letter on 12 March 2025. Since the payment was due before any cancellation instruction was given, I am satisfied that Scottish Friendly was entitled to collect the contribution. And so, given the timeline, Scottish Friendly is not required to provide a refund of the £35 payment.

This is further supported by how the surrender value was calculated. When Miss C requested withdrawal of the policy, Scottish Friendly included all her contributions - including the March payment - in determining what she would receive. Since Miss C benefited from having this March contribution invested (even briefly) and received its value through the surrender calculation, refunding the payment would unfairly place her in a better financial position than she is entitled to. Therefore, the £35 payment was correctly taken and Scottish Friendly has no obligation to refund it.

Is a £25 refund for bond L9041561 due?

Beyond her three ISA policies, Miss C also held a bond with Scottish Friendly. While Miss C strongly denies ever taking out this policy, where testimony is in dispute, I'm required to examine all the available evidence to reach a decision that is fair and reasonable in all the circumstances.

Scottish Friendly has provided comprehensive documentation showing a bond application made by Miss C in August 2020 that commenced on 1 September 2020. It's also provided a copy of the welcome pack that was sent. The policy was registered in Miss C's name with her correct date of birth and linked to her previous address. Most significantly, it's also confirmed that nearly five years of monthly payments had been made from an account in Miss C's name, which would more likely than not, indicate that Miss C did indeed take out this bond. In light of this overwhelming evidence, Scottish Friendly was entitled to collect the £25 payment in March 2025, and as the cancellation request only came afterward on 11 March 2025, Scottish Friendly is not required to refund this amount.

Miss C has questioned why this bond wasn't visible in her online account when her ISAs were clearly displayed. During their investigation into Miss C's complaint, Scottish Friendly discovered that her ISAs were registered under customer profile 100083589, but the bond was held under a separate profile; 130033812 and remained linked to her old address rather than her current one.

I don't underestimate or doubt Miss C's sincerity or strength of feeling in bringing her complaint to this service. Given the passage of time and because the bond wasn't visible on the Scottish Friendly profile she was accessing, it's understandable Miss C may not have

been able to recall circumstances concerning the bond. I understand that my decision may come as a disappointment to her, but for the reasons I've explained I won't be asking Scottish Friendly to do anything further.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 7 October 2025.

Farzana Miah
Ombudsman