

The complaint

Mr D complains that Vanguard Asset Management, Ltd ('Vanguard') sold his investments without consent and failed to clearly communicate that the changes would affect him.

What happened

Mr D has an Individual Savings Account ('ISA') with Vanguard. In April 2025, when Mr D saw that units were sold to pay for fees, this led to him contacting Vanguard and subsequently complaining about what happened.

Vanguard said it had communicated that it was going to introduce a minimum fee of £4 per month for clients who were invested up to the value of £32,000 across their accounts with Vanguard. But more relevantly, the email also provided information about the change to how fees would be taken. Vanguard didn't uphold Mr D's complaint.

Mr D didn't think the communication was clear. He was also unhappy that Vanguard didn't give notice of the amount in fees it intended to take, so he brought the complaint to our service.

One of our investigators looked into what happened, but she didn't recommend upholding Mr D's complaint. Briefly, she was satisfied that the account terms and conditions Mr D had signed up to, allowed Vanguard to make changes provided it gave its clients one month's notice. The investigator also didn't agree with Mr D that Vanguard's communication was unclear, unfair or misleading, so she didn't think Vanguard had done anything wrong. In addition, she said prior to the changes, she'd seen no evidence that Mr D received notice of the specific amount Vanguard would collect in fees, so the changes had no impact.

Mr D disagreed with our investigator. Because the complaint hasn't been resolved, it's come to me for a final 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.

I'd like to reassure Mr D that I've looked at this complaint afresh– and I've independently reached the same conclusions as our investigator.

It's my understanding that the crux of Mr D's complaint is that Vanguard failed to adequately communicate the changes it would be making when collecting fees and acted without consent when it sold investments held in his name to pay for those fees.

The investigator set out relevant account terms and conditions and relied on these to support her view that Vanguard hadn't done anything wrong. I agree with our investigator that provisions in Vanguard's terms and conditions, which Mr D accepted when using his account, gave Vanguard scope to make the changes it did to the way it would collect fees.

Vanguard sent notification to Mr D in December 2024 giving him over a months' advance warning of these changes. This was initially planned to take effect on 31 January 2025 but was later implemented on 28 February 2025, so I'm satisfied Vanguard provided Mr D with adequate notice in line with the account terms and conditions.

I appreciate that Mr D feels Vanguard's communications were inadequate – he mentioned that the notice in December 2024 *"...begins by highlighting that Vanguard was to increase the fees of any client with no more than £32,000 invested. It went on to a further heading about how Vanguard would take payment for fees due. This did not make clear that this applied to all clients but given the thread appeared to be for those with under £32,000 invested. This did not apply to me."*

Based on the information provided, I am satisfied that Vanguard communicated these changes clearly enough. The December 2024 notice presented two different types of changes clearly. The first section, *"What's changing,"* dealt specifically with the new £4 monthly minimum fee and as Mr D correctly stated, applied only *"For clients with a total invested balance under £32,000."* However, the notice, immediately follows this to address additional changes, introducing them with:

"We're also:

- *Changing how we collect your account fee*
- *Changing our processes around full withdrawal and transfers out of Vanguard'*

Notably, this section made no reference to the £32,000 threshold and did not suggest it applied only to certain clients. The examples given about direct debit payments were written in general terms, referring to "your account fee" without any restrictions on who this applied to.

I understand Mr D interpreted this to mean the fee collection changes only applied to those affected by the minimum fee. However, his reading doesn't account for the way Vanguard presented the information. I say this because the changes to the way account fees would be collected contained no limitation in its wording that would reasonably make me conclude that it wouldn't apply to all clients.

Moreover, the follow-up email sent on 29 January 2025 reinforced this by referring to both *"a minimum account fee"* and *"other changes to our terms and conditions,"* confirming these were separate matters affecting different groups of clients.

So, whilst I appreciate Mr D understood that the fee collection changes did not apply to him, Vanguard cannot be held responsible for this when it presented the information clearly in the notice. I would not expect Vanguard to send tailored letters to its clients when its notice provided sufficient information to understand what this would mean. In any case, in both notices, Vanguard included links to further information that might be needed by clients to consult at their leisure. I don't think that is unreasonable given the numbers of clients the changes applied to.

Turning to Mr D's final point about his concern that he was not told in advance what the fees would be, I am satisfied the investigator has addressed this in full. The changes to how fees would be collected did not affect the calculation of the fees themselves. Mr D was not previously notified of the exact amount in fees that would be taken before the changes took place, so I'm satisfied, he hasn't been impacted unfairly. Given his communications with our service, I'm satisfied he was aware of how fees would be applied to his account. As such, there is nothing further I can comment on regarding this point, and I am satisfied that Vanguard has not done anything wrong in this respect.

I hope that setting things out as I've done explains how I've reached my conclusions and even though this isn't the outcome Mr D hoped for, he will at least feel that his complaint has been fully considered by our Service.

My final decision

For the reasons given above, I don't uphold the complaint or make any award against Vanguard Asset Management, Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 20 November 2025.

Farzana Miah
Ombudsman