

## The complaint

The estate of Mrs T (“the estate”) complains that Assetz SME Capital Limited trading as Assetz Capital is unfairly only allowing the estate to make withdrawals from the late Mrs T’s crowdfunding account on a quarterly basis.

## What happened

The late Mrs T held a peer-to-peer crowdfunding account with Assetz.

In December 2022, Assetz announced that it had decided to close its retail platform and conduct a solvent run-off of its retail loan book. Assetz said this was due to the substantial rises in bank interest rates which led to lenders withdrawing from the platform. As part of the run-off process, Assetz announced that it was necessary to introduce a lender fee during the period it took to close the platform.

In January 2024, it provided a further update on the winding up of the platform, within this update it introduced a further fee relating to cash withdrawals investors make from the return of invested funds. It explained:

“We have determined that at this time, a withdrawal fee of £1.00 will need to be introduced. This small charge will allow us to maintain the ability for Investors to withdraw on a daily basis if they need/want to without threatening the financial viability of the run-off. In addition, we are able to accommodate 1 free withdrawal every 90 days which will allow Investors who don’t need/want to remove funds on a daily basis to avoid the fee completely, but still remove funds on a regular basis.”

The estate notified Assetz in March 2024 of the late Mrs T’s passing. The estate explained that it would be applying for a grant of probate in the near future but asked if Assetz was able to close the account and begin making payments.

Assetz responded by explaining that it couldn’t start making quarterly payments until it received the grant of probate. The estate requested access to the account, but Assetz explained that it doesn’t provide access to accounts to prevent any investment actions taking place on the account.

The estate provided Assetz with a copy of the grant of probate on 20 April 2024 and asked Assetz to liquidate any loan holdings to begin making payments. Assetz explained that the last quarterly bereavement payments were made on accounts was on 7 April 2024 and so the estate would need to wait for the first payment in the next window in July 2024. It also explained that it anticipated that most of the late Mrs T’s loans would be repaid with the next two years but warned that it could take up to four years.

The estate of Mrs T complained to Assetz in May 2024 as it felt Assetz was unfairly retaining the late Mrs T’s funds. It said the funds should be released as soon as the grant of probate had been received and suggested that if the late Mrs T was still alive she would be able to log onto her account and make withdrawals when she wanted, albeit incurring a fee.

Assetz looked into the estate's complaint but didn't uphold it. In summary, it said:

- In order to keep platform operational costs and the lender fee to a minimum, since the closure of its retail platform, it automatically, on behalf of the executors of deceased customers' estates, processes all withdrawals related to all deceased customer accounts, that have cash funds available, in single batches once every quarter, if possible.
- It believes that this strikes a fair balance in terms of returning funds versus having limited resources available during closing of the retail platform.
- It would be too costly and involve too much work to enable ad hoc bereavements payments on the day all required documents were received and verified.
- If Mrs T was still alive, she would have to set aside her time to log into her account and manually withdraw her funds in order to be able to make a free withdrawal once every 90 days. All other withdrawals, that she would have to manually action herself, would be charged £1 each.
- It had explored allowing executors to access relatives' accounts, but since the decision to close the retail platform, there has had to be a complete review and reprioritisation of any work that is needed to make the solvent run off as efficient as possible.

The estate didn't accept Assetz's final response and so it referred the complaint to our service for an independent review.

One of our investigators considered the complaint but didn't uphold it. In summary, they said:

- The late Mrs T's investments were illiquid and the mechanism to sell loans to other investors was not available at the time. As such, the estate needs to wait until the loans are repaid.
- They acknowledged that the estate wants to withdraw any cash balance as soon as it has been credited, but Assetz have explained that it doesn't have the resources to do this for free.
- They acknowledged that the estate would be willing to pay the withdrawal fee to withdraw at any other times than the quarterly payment date, but that would involve having access to the late Mrs T's account, which Assetz again doesn't have a system in place for. They said they could understand this considering it was closing the retail platform down.

The estate didn't accept the investigator's view. In short, it said it didn't agree that Assetz made the initial payment at the earliest available opportunity and that Assetz's treatment of deceased consumers is unfair.

As such, the complaint was passed to me to decide.

I issued a provisional decision on the matter in September 2025 in which I explained the following:

***What I've provisionally 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.*

*From the estate's submissions, I believe it is aware of the illiquid nature of the late Mrs T's investment with Assetz and so I don't think it necessary to go into detail as to why the loans can't be sold down immediately. All I will say is that Assetz terms made this point clear and that the late Mrs T ought to have been aware that her only ability to access her capital was*

through selling her loans to other investors, a mechanism that switched off and Mrs T was notified of when Assetz made the decision to wind-down the retail platform, or by way of waiting for the loans to be repaid. As such, I have no concerns regarding the information provided to the late Mrs T regarding this.

In terms of withdrawing uninvested funds, it's clear to me that Assetz is trying to balance the need for it to manage its costs and resources during its wind-down plan, whilst still supporting executors of estates of deceased consumers. I'm not persuaded its unreasonable for Assetz to put in place a policy to allow it to collate loan repayments on all deceased consumers' accounts and to distribute these to executors of estates on a quarterly basis. I note that a similar policy is put in place for regular consumers, by which it is able to make one free withdrawal every 90 days, albeit regular consumers can elect to make further withdrawals at a cost.

Whilst I think it's important for Assetz to have a policy in place for future payments once it has been notified of one of its consumer's passing, I think in this particular case, the estate had provided the necessary documentation for it to make an initial payment on 20 April 2024, less than two weeks after the previous bereavement payment had taken place.

I note that in Assetz's final response letter it said there was only a cash balance of around £9 on the 16 March 2024, the day prior to the notification of the late Mrs T's death. However, Assetz wasn't in a position to make a payment on this date as it hadn't yet received the grant of probate. It's unclear what the cash balance was on 20 April 2024, when it had received this, but I note that whilst Assetz was still communicating with the estate, it notified the estate of there being a cash balance available of around £2,500 on 2 May 2024.

Considering that loan repayments had been building in the late Mrs T's account since she passed away and up until Assetz was provided with the grant of probate, I don't think it would be fair to penalise the estate for only just missing the previous bereavement payment window. I understand why, going forwards the estate will need to wait for the relevant bereavement payment windows; however, I don't think it would have been unreasonable for Assetz to have arranged a one-off payment in light of the estate only just missing the previous one. I also note that the late Mrs T had around £12,000 still tied up in loans at this point and so the available amount in cash was considerable in comparison.

I also think this is fair considering Assetz hadn't had to forego any resources or costs in dealing with Mrs T's account since she had passed away, and I'm conscious that she would have been entitled to a free withdrawal in the period prior to the next bereavement payment window in July, that she was unable to take advantage of prior to her passing. So I'm persuaded, Assetz ought to have made arrangements for this to be paid to the estate and the estate has been deprived of this as a result.

I think it's appropriate to only make an award in this instance due to the estate only just missing the initial bereavement payment window following Assetz receiving the grant of probate. Going forwards, I think it's fair and reasonable for the estate to adhere to the policy put in place by Assetz. I appreciate the estate is willing to pay the withdrawal fee in order to gain access to any available funds prior to the bereavement payment window, however, in order to do so it would need an active account with permission to log in and make the requests. I understand why Assetz cannot provide this considering it is trying to keep wind-down costs to a minimum and due to its lack of resources. On balance, I don't think the quarterly payment schedule is unreasonable and I'm not aware of any reasons why the release of the funds is time sensitive, beyond its requirement to make distributions in a reasonable timeframe, which due to the illiquid nature of the investments with Assetz, will likely affect all deceased consumers' estates.

*Finally, I'm aware that Assetz has a vulnerable customer policy in which explains the following:*

#### *"5.2.1 Recent Bereavement*

*In line with our vision and values, if a customer informs us of a bereavement, or if through our Bereavement Process we have been notified of a customer's death, in line with our "case-by-case" approach, the circumstances could be considered to see if they are vulnerable, (including consideration of whether the executor of the deceased customer is vulnerable) and could be suffering detriment.*

#### *5.3 Assetz Capital Lender Cash Release Process*

*Where the Assetz SME Capital Board's decision is that all or more likely a set amount of the vulnerable customer's funds on the platform should be released immediately, the Lender Cash Release Process will be followed by Finance to release the funds, with the Lender Team contacting the customer to confirm the amount and timing of the payment."*

*Assetz has explained that the estate's case was referred to its board in line with this above policy, but it decided there was no apparent evidence of financial hardship. I've not been provided with any evidence to support that this decision was incorrect and so I don't think it would be fair to require Assetz to take any further action.*

### **Putting things right**

*To put things right for the estate, I think Assetz should do the following:*

- *Pay the estate 8% simple interest on the cash amount that was available on 2 May 2024 up until this was paid in July to compensate it for not having the funds available at that time.*

### **Responses to my provisional decision**

The estate partially accepted my findings but felt I hadn't considered the time and cost the estate corresponding with Assetz and explained that it would be willing to accept £100 in recognition of this.

Assetz explained that the estate was treated in exactly the same way as all others, ensuring consistency and fairness. It said there was no evidence of hardship provided and that my findings were unfair as without a clear and consistent cut-off aligned to the quarterly payment cycle, the process risks losing its transparency and efficiency. Finally it explained that performing ad hoc withdrawals outside the established workflow would cost close to £10 per transaction for finance processes alone, which is not sustainable nor in customers' broader interests. Although it didn't accept my provisional findings, Assetz did offer £25 as a gesture of goodwill offer to bring the matter to a close.

### **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 also thought carefully about the comments received from both parties in response to my provisional findings. However, having done so, I'm persuaded the outcome I reached was fair and reasonable in all the circumstances. I'll explain why.

I understand the estate believes that it should be compensated for the time and costs involved in trying to bring this matter to a resolution. However, while a complaint can be brought on behalf of a deceased person that would have been an eligible complainant, by those authorised to do so in law, an estate isn't considered a separate entity, eligible to complain in its own right, and capable of being inconvenienced.

In this case, the late Mrs T would have been the eligible complainant, who had the required relationship with Assetz – and we can only make awards to eligible complainants. The estate has brought the complaint on the late Mrs T's behalf and so it follows that we can't compensate the estate for any impact incurred by it personally, when representing the late Mrs T. So I'm unable to recommend an award for any distress caused to the estate.

Turning to Assetz's comments, I understand that it believes my provisional findings are unfair as without a clear and consistent cut-off aligned to the quarterly payment cycle, the process risks losing its transparency and efficiency. While I appreciate Assetz's point, I have to stress that my findings are based on the circumstances of this complaint only. I explained in my provisional findings that in the circumstances of this complaint, I don't think it would have been unreasonable for Assetz to have arranged a one-off payment in light of the estate only just missing the previous bereavement payment window. I understand that Assetz believes it's difficult to establish when is close enough to say a customer has just missed a bereavement window, but I think in the circumstances of this complaint it would be fair to consider an ad hoc payment could have been arranged, especially considering the late Mrs T would have been entitled to a free withdrawal in the period prior to the next bereavement payment window in July, that she was unable to take advantage of prior to her passing

I also appreciate Assetz believes that performing ad hoc withdrawals outside the established workflow would cost close to £10 per transaction for finance processes alone. However, Assetz hadn't had to forego any resources or costs in dealing with Mrs T's account since she had passed away and so I'm not persuaded by Assetz's argument here. Even if the ad hoc withdrawal would have cost more in this instance, it would have been a one-off cost that would have likely been offset by Assetz not having to arrange any bereavement payments in the prior windows between it being made aware of the late Mrs T's passing and the estate arranging for a grant a probate to be issued.

Finally, I note that Assetz has made an offer of £25 as a gesture of goodwill. However, as I've explained above, I can't support an award in recognition for any distress caused to the estate, if the estate wants to accept this then it would need to contact Assetz directly. I can make an award for any financial loss, which I think is most suitable here and so I'm persuaded that the award I proposed in my provisional findings was fair and reasonable in all the circumstances.

### **Putting things right**

To put things right for the estate, I think Assetz should do the following:

- Pay the estate 8% simple interest on the cash amount that was available on 2 May 2024 up until this was paid in July to compensate it for not having the funds available at that time.

### **My final decision**

My final decision is that I partially uphold this complaint and Assetz SME Capital Limited trading as Assetz Capital is required to pay the compensation as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs T to accept or reject my decision before 20 October 2025.

Ben Waites  
**Ombudsman**