

## **The complaint**

Mrs W complains about a transfer she requested with a stocks and shares individual savings account (ISA) she held with M&G Securities Limited (trading as M&G). She asked a third party to transfer one of her funds to it from her M&G account, but instead it transferred all of her assets over.

Mrs W is unhappy that M&G let everything be transferred to the third party, without her consent. She thinks it should have contacted her beforehand. She said it should pay compensation for its part in what happened.

## **What happened**

Mrs W held a stocks and shares ISA with M&G. On 17 December 2024, she submitted a request for one of her funds to be transferred from her account to another ISA account she held with a third party. It was up to the third party to initiate this request and ask M&G to arrange for the transfer to happen. On 19 December 2024, the third party sent the request form over.

On 24 December 2024, Mrs W was informed by M&G that three of the funds had been transferred over to the third party and the remaining fund had been sold to cash, with the proceeds sent too. Mrs W complained to M&G about this as she had put in a transfer request with the intention of transferring over one fund, not everything. It was at this stage that Mrs W said she was dissatisfied with the way her query was handled by M&G's customer service staff.

The third party that initiated the transfer took responsibility for the mistake on 11 February 2025 and said sorry. M&G on the other hand, said that it had acted on the third party's instructions and so hadn't done anything wrong with the transfer. It said it received an instruction to transfer three funds and sell one to cash, then transfer all across. It said the third party has accepted it made an error here.

M&G said sorry for the customer service Mrs W received when she called it and paid compensation of £100 to her for this.

Mrs W was not happy with M&G's response. She said it should have checked with her first, before allowing the funds to be transferred over. She said it shouldn't have sent over information about these funds, and this information was confidential.

Mrs W also didn't agree with M&G about the amount of compensation it was offering and said it had caused a lot more distress and inconvenience. She had health problems and M&G's mistakes were adding to this. She referred her complaint to our service.

An investigator looked into Mrs W's complaint. She said she didn't think M&G needed to take any further action. She explained both parties use a transfer system which allowed transfers to happen electronically. She said the request came from the third party on this system, and M&G acted on the instruction. She said she understood that the third party had said the error had come from it.

The investigator felt M&G's offer of £100 was fair and reasonable, and concluded that since the instruction and details about this was initiated by the third party, that M&G had acted as it should in accepting this. She also said M&G shared information as it would be expected with the third party, for what it thought was a legitimate transfer request, to help them complete the process.

Mrs W was not in agreement with the investigator's view. She made the following points:

- She called M&G to inform it that she was going to put in a transfer request of one fund, to the third party. She said it wasn't a requirement for her to do this, but she did so to be polite. She said she contacted M&G before contacting the third party.
- She said she told M&G to keep the rest of the funds, that were not part of the transfer, confidential.
- She said she understood M&G received an automated instruction on the system, but common sense should have prevailed.
- M&G should as a regulated firm, taken adequate protection for her assets, but it did not.
- It should have verified the accuracy of the transfer request and scrutinise any instructions it received.
- M&G sold one fund to her detriment, and she made a financial loss. It did this without her consent.
- She said the third party contacted M&G to arrange for the funds to be returned to correct the error. She said all this happened behind her back. He received notification of what was happening on 11 February 2025. She said she objected the following day, as she had lost confidence in both firms and couldn't face another ordeal.
- She said both firms and not just the third party, subjected her to a lot of distress. She said M&G are culpable for all the issues caused. She said it has put her through a lot of distress and inconvenience, and she should be compensated for this.

Because the parties are not in agreement, Mrs W'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 Mrs W's complaint and have arrived at the same outcome as the investigator, for broadly the same reasons.

The crux of Mrs W's complaint is that she thinks M&G should take responsibility for its part in the transfer that took place in December 2024, when she requested one fund be transferred only, to a third party. She thinks M&G should pay more compensation than it has to date. So, I have looked into this.

I have looked into what happened with the transfer request and I agree with what has been said up to now by the investigator and firms involved about how this happened. The two firms used an electronic transfer system, that is commonly used by firms to speed up the process. The requesting firm, in this case the third party, had the responsibility to put the correct transfer details onto the system. It was up to it to stipulate what needed to be

transferred. In this instance it was the third party that incorrectly put on the system that all four funds be part of the transfer. It requested that 3 funds be transferred in specie and 1 be sold to cash, and that all be transferred to it. It did the latter, as it didn't hold that fund on its platform.

The third party made the mistake and has admitted this, the circumstances of which are subject to a separate complaint. M&G on the other hand, would have received the details on the system and not on the transfer application form. So, there would have been no ambiguity here: it was asked by the third party to transfer 3 funds and sell 1 fund to cash. It would have received these instructions, and it was down to it to act on them.

I acknowledge, Mrs W said she contacted M&G to explain what she was going to do and that it ought to have scrutinised the transfer based on that conversation. But the official transfer request was inputted on the system by the initiating firm, the third party and I don't think M&G did anything wrong here by following the instruction it was given.

M&G's role here was to carry out its side of the transfer efficiently and based on what it had been instructed to do within the request, and it did do this. It was only after it had carried out the transfer that it became aware from Mrs W that what it had done was against its wishes.

I've looked through all that happened, and I don't think M&G made any mistakes for its part in the transfer here. So, I am not going to ask it to do anything further.

What is left for me to decide is whether M&G offered Mrs W compensation that was fair and reasonable in the circumstances. It said sorry and offered to pay her £100 for the distress and inconvenience it caused in the way it initially handled her complaint on the phone. From what I have read, I think its offer is fair and reasonable, based on what the parties have said happened here.

I know Mrs W feels M&G should be taking responsibility for what happened, but I think it has done this by saying sorry and paying compensation for the way it initially handled her complaint. I don't think it needs to do any more than this, as the failings in the transfer were made by another party. I don't think it would be fair if I asked M&G to take responsibility for the mistakes made by another firm.

I appreciate that my decision will be disappointing for Mrs W, particularly given the health issues she has mentioned and the frustration this situation has caused. I acknowledge the strength of her feelings in the submissions provided. But based on everything I have read and the findings I have given, I am not going to ask M&G to do anything else.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 1 January 2026.

Mark Richardson  
**Ombudsman**