

The complaint

The O C Trust ('the trust') complains about the way Scottish Widows Schroder Personal Wealth (ACD) Limited trading as Schrodgers Personal Wealth ('SPW') administered its account.

This complaint was referred to us by a trustee who I'll call Mr C. Mr C and his fellow trustee made the complaint on behalf of the trust, but for simplicity I've referred in this decision to Mr C as the complainant.

What happened

The trust had an account with SPW. Mr C and one other named person were the trustees, and Mr C's daughter was the sole beneficiary.

In 2022 and 2025 SPW wrote to the trust a number of times saying it needed information about the trust, including the identity of the trustees and other details. In 2025 Mr C told SPW the documents it had asked for weren't appropriate to the type of trust that the trust was.

In April 2025 Mr C asked to close the account and withdraw funds. He said he wanted to do that because he was dissatisfied with the service from SPW because it had repeatedly asked him for information it didn't need or ought to have already.

SPW said the request had to be signed by 'two authorised signatories with their working capacities stated'. And it said it still hadn't received – and it still needed – the documents it had requested.

On 29 May 2025 Mr C referred the trust's complaint to this service. He said SPW should've already had some of the information it was asking for, and its requests caused him to question whether the account had ever been created and whether SPW had lost the information it was originally given about the trust. He also questioned why SPW had asked for signatures from two strangers but not the signature of the second trustee. To put things right he wanted SPW to transfer the account's funds to the trust's beneficiary and pay compensation for distress and inconvenience.

Meanwhile SPW looked again at the situation and came to the view that it had requested information unnecessarily because it had failed to recognize what information it already had and because the trust was a bereaved minor's trust and so was exempt from registration with the Trust Registration Service (TRS).

On 2 June 2025 Mr C asked again for the account to be closed and the funds withdrawn. SPW liquidated the investments in the account. It said that to transfer the funds out it required signatures from Mr C and the other named trustee. And it sent Mr C a renunciation form with an explanation about how to have payment made from the trust's account.

One of our investigators looked into Mr C's complaint. In summary she said the following:

- SPW acknowledged it made errors and had requested unnecessary information because it failed to recognize that it already had details of the trust's settlor in the probate documents and because it mistakenly thought the trust was subject to TRS requirements.
- SPW had sold the funds in the trust's account and was ready to release the proceeds once it received signed instructions from the two trustees. SPW said that because the investment was sold following Mr C's redemption request, the proceeds could only be paid on receipt of signatures from both trustees and that was in line with the original application form.
- Between 7 April 2025 when SPW received the initial request to sell the investments, and 16 June 2025 when the investments were sold, the value of the investments had increased so that the trust hadn't been disadvantaged by any delay in selling them.
- SPW now accepted it ought to have upheld Mr C's complaint and it offered £250 compensation for the distress and inconvenience caused by its errors.
- Most of the communication was handled by Mr C which reduced the burden on the other trustee. Taking this into account, £250 compensation to Mr C was fair and reasonable. And because SPW was ready to release funds the investigator didn't have any recommendation for further action.
- Because the trust had two trustees it wasn't unreasonable for SPW to request the signatures of both on the trust's instruction for SPW to release the funds. SPW accepted the investigator's recommendation but noted that it couldn't facilitate Mr C's request for the account's funds to be transferred to the beneficiary – it had to transfer the funds to the trust or trustees.

SPW also told this service it had made a further error. On 25 September 2025 it had again unnecessarily requested documents from the trust. In light of the additional distress and inconvenience that would've caused SPW said it would pay an additional £100, taking the total of its offer to £350.

Mr C said he could only accept the investigator's view if SPW could pay the funds from the trust direct to the beneficiary. He said if SPW had to pay the funds to his own account then he'd need to take legal advice about the implications of that and so he wouldn't accept the investigator's view.

The investigator told Mr C that because the investments had been sold under his instructions, SPW couldn't transfer the funds to the beneficiary. The investigator also told Mr C about SPW's increased offer of compensation following its further error.

Mr C reiterated that he wanted to take advice and didn't accept the investigator's view. He added that while the investigator saw the case as 'just a few mistakes' Mr C saw it as gross negligence because his daughter's money could've been lost to SPW if something had happened to Mr C during the time that SPW had misplaced the information about the trust. Because of that he wanted a formal report to hold SPW accountable for what he saw as a significant failing in its operations.

Because no agreement could be reached, the complaint was passed to me to review afresh and make a 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.

Having done so, I find that SPW has made a reasonable offer to put right the impact of the mistakes it made. And I'm upholding the complaint and requiring SPW to pay the compensation it has offered.

The purpose of this decision is to set out my findings on what's fair and reasonable, and explain my reasons for reaching those findings, not to offer a point-by-point response to every submission made by the parties to the complaint. And so, while I've considered all the submissions by both parties, I've focussed here on the points I believe to be key to my decision on what's fair and reasonable in the circumstances.

The errors SPW made entailed requesting information from the trust that it didn't need. It made those errors because it failed to recognise what information it already had and it failed to recognise what information it needed for the type of trust it was dealing with.

It's clear that SPW's unnecessary requests caused distress and inconvenience to Mr C. For that SPW has offered a total payment of £350. I'm satisfied that's appropriate. It's in line with what this service would award in the circumstances.

I understand what Mr C says about what could've eventuated if something had happened to him while SPW was confused about the trust. But while I can make a finding that SPW made errors, and I can make an award for the actual impact those errors had, I can't make an award to cover an eventuality that could've happened but didn't actually happen. Instead I need to be satisfied in this case that the award I make recognises the distress and inconvenience that Mr C is likely to have suffered over the circumstances he's described.

And I'm satisfied an award of £350 is appropriate for the distress and inconvenience Mr C experienced as a result of SPW's unnecessary requests and the concern those requests caused Mr C to feel over the status of the trust's account.

My decision here is about the complaint Mr C brought to this service in relation to SPW's requests for information. It's not about any subsequent events that happened after Mr C had referred the complaint, or SPW's ongoing dealings with the trust in relation to withdrawing the funds from the account. But one of the resolutions Mr C told us he wants is to have the funds transferred to the beneficiary of the trust. I note that that isn't possible in this case. And I find that in the circumstances before me it wouldn't be appropriate for me to make any award regarding the transfer of assets out of the account. Mr C has indicated he wants to seek advice after finding the funds can't be transferred direct to the beneficiary. It's for the trustees to decide what instruction to give SPW about where to transfer the funds.

Overall, Mr C has suffered distress and inconvenience due to the failings of SPW. But the offer SPW has made is sufficient to put that right. Because the amount offered hasn't yet been paid, I'm upholding the complaint and making an order for SPW to make the payment.

Putting things right

In recognition of the distress and inconvenience its errors caused him I require Scottish Widows Schroder Personal Wealth (ACD) Limited trading as Schroders Personal Wealth ('SPW') to pay Mr C £350.

My final decision

For the reasons I've set out above, my final decision is I uphold this complaint. Scottish Widows Schroder Personal Wealth (ACD) Limited trading as Schroders Personal Wealth ('SPW') must pay the amount specified above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 4 March 2026.

Lucinda Puls
Ombudsman