

The complaint

Mrs C and Mr B, as trustees of the T Trust, complain that Seven Investment Management LLP (“SIM”) caused delay of an in-specie transfer of an investment bond from SIM to a new provider. This led to costs being incurred as a result of chasing the process and a delay in the redemption of a mortgage.

What happened

The background to the complaint will be well known to both parties, so I’ll only give some key details here.

In November 2023 an application was made for the bond to be transferred. The process commenced along with correspondence between the parties, but over the next few months a series of delays occurred.

On 17 April 2024, by which point most of the transfer had been completed, SIM was emailed for an update on the remaining funds. The email stressed that an urgent withdrawal from the bond was required, which could only be facilitated once the transfer to the new provider had been completed in full.

The process continued, with the trustees chasing again on 25 April 2024 and on this occasion providing more explicit information about the withdrawal. It said it was needed to redeem a mortgage maturing on 3 May 2024 and failure to redeem on time would result in the application of daily penalties.

A transfer of around £43,000 cash held in the bond was then paid on 26 April 2024. However, the withdrawal could still not be completed due to ongoing administrative issues relating to fund manager updates and the additional purchase of additional units in one fund being made, leading to a discrepancy in valuation.

The process eventually completed around 22 May 2024, but too late for the mortgage redemption to be completed on time.

A complaint was made to SIM in August 2024. It acknowledged that there’d been points in the process (primarily a delay in the sending of the initial instruction to the new provider and a later failure to update the new provider about the additional units issue) where it could’ve acted more efficiently. But it didn’t accept that it was solely responsible for the length of time taken to complete the transfer and highlighted several points at which the new provider had failed to act promptly.

It did however apologise for not always following its internal processes and offered £200 to acknowledge any distress and inconvenience caused.

The complaint was referred to this service where an investigator concluded that it should be upheld, in part. Although he had limited information available to him, he felt that with the new provider having instructed the transfer by 1 February 2024, the total time taken for the transfer to complete appeared to have been unreasonably delayed and that SIM, as it had to

a degree acknowledged, was responsible for this. He recommended that the additional costs incurred by the trust in dealing with the matter should be reimbursed. However, he didn't consider there was sufficient evidence to support a finding that any costs associated with the delayed redemption of the mortgage flowed directly from any failings by SIM.

The trustees responded to the investigator with evidence of the additional costs incurred in chasing up the matter. It also explained that the shortfall in cash needed to redeem the mortgage that couldn't be obtained from a withdrawal from the bond had to be made up from other sources, which had created anxiety for the trust beneficiary.

The investigator acknowledged the trustees' response but without supporting evidence in respect of the mortgage situation he wasn't persuaded to change his view. As no agreement was reached the matter was referred to me to 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 find I've come to broadly the same conclusions as the investigator.

As noted, SIM has acknowledged that there were several occasions when it failed to act as efficiently as it should've done. As a result, the transfer process was avoidably extended to a degree that caused additional work for the trustees. The cost of this additional work has been evidenced by the trustees, so I think in all the circumstances it's fair and reasonable that the costs be reimbursed.

In respect of the mortgage issue, things are less clear. While the full redemption was not made on the required date, it does seem that there was only a relatively small amount due by that point. The total balance to be repaid was around £350,000 and a sum of nearly £342,000 had been paid in advance of the maturity date.

I note the trustees' comments regarding the need for funds to be obtained from elsewhere to make up the amount that was intended to be withdrawn from the bond. But I've seen nothing that supports additional costs being incurred as result of this. If the monies held within the trust had to be managed in a different way I can see that this may have caused some concern. But here I'm looking at a complaint brought by the trustees on behalf the trust, not on behalf of the beneficiary. As such, I don't think it would be fair and reasonable to make an award in respect any issues stemming from having to adjust the redemption strategy.

In all the circumstances and noting an absence any further information being provided by SIM following the referral of the matter for this review, I'm satisfied the resolution suggested by the investigator is a fair one. In respect of the £200 offered by SIM in its final response to the complaint, while I am able to direct compensation for distress and inconvenience to trustees, in this case, given their professional status, I don't feel it would be appropriate, so for clarity I am not directing that the £200 be paid in addition to the other sums.

Putting things right

SIM must, upon receipt of invoices or other documentation that demonstrates payment by the trust, refund the costs incurred by the trust resulting from (a) the additional work carried out by the trustees in chasing up the delays and (b) liaising with the trust beneficiary regarding the matter. I understand these costs to be £1,721.67 and £300 respectively. Interest at 8% simple should be added to the confirmed amounts from date they were paid to the date of this decision.

My final decision

For the reasons given, my final decision is that I uphold the complaint. Seven Investment Management LLP must pay compensation to the trustees as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr B as trustees of the T Trust to accept or reject my decision before 26 February 2026.

James Harris
Ombudsman