

The complaint

Mr H has complained about the actions of Moscrops Financial Planning (Bury) LLP in its dealings with his investment portfolio.

What happened

I have previously issued a provisional decision regarding this complaint. The following represents excerpts from my provisional decision, outlining the background to this complaint and my provisional findings, and forms part of this final decision:

“In March 2021 on the advice of Moscrops Mr H invested £300,000 held on deposit into a portfolio of holdings which would sit on a platform run by Fidelity. The objective of the portfolio was to provide capital growth over the medium to long term. The investment was split between a general investment account (‘GIA’) and an ISA, with the intention being that each new tax year a further £20,000 would be moved from the GIA to the ISA. The portfolio was managed on a discretionary basis by a fund manager.

Mr H paid a charge to cover Moscrops regularly reviewing the performance and suitability of the portfolio, and this included an annual meeting between the parties.

Concerned by market volatility, in August 2024 Mr H contacted Moscrops to discuss cashing in the investment. Moscrops started the process to realise the portfolio’s value but Mr H was unhappy with several aspects of this.

In an email on 13 August Mr H registered a formal complaint. He said that in the annual review meeting in April 2024, referencing the value showing on the Fidelity portal, he’d asked whether he needed to consider any charges when he wanted to cash in his portfolio. He said Moscrops’ response was that “the value you see is the value that is returned and we can initiate that instruction immediately upon your request.” Mr H commented that it was only in August 2024, after having contacted Moscrops to sell the portfolio, that he’d been told the value showing on the portal was not what he would receive because this would be calculated at the end of Fidelity’s working day.

Detailing his contact with Moscrops in August 2024, Mr H complained that the business had delayed encashment of the portfolio, and this had impacted its value. He was unhappy that he’d not yet been told what the final value of the investment would be. Mr H asked for confirmation of the fees charged by Moscrops whilst managing the portfolio.

Moscrops responded to the complaint in a letter dated 13 September 2024. In relation to the comments made in the April 2024 review meeting, Moscrops said its adviser was explaining that there were no additional charges incurred on the sale of a portfolio, but it said the final value was dependent on the underlying holdings. In relation to confirming the final encashment value, Moscrops said that funds within the portfolio had different settlement dates but that it had emailed a value to Mr H on 15 August. It also explained that dividend distributions had led to additional units being bought after the initial sale, but these were being sold and Mr H would receive contract notes confirming this.

Moscrops said it considered it had acted in a timely manner in relation to Mr H's request to cash in the portfolio. It forwarded details of the costs and charges incurred under the portfolio from inception. It also said the advice it had given to take out and retain the portfolio was suitable for Mr H's circumstances, and it confirmed that as at the date of its letter, the investment had returned to Mr H £314,554.89.

Unhappy with Moscrops' response, Mr H brought a complaint to this service. He said that Moscrops had failed to execute his encashment request in a timely way and had still not fully completed it. He said the encashment value had fallen as a result and he asked that Moscrops compensate him for this. Mr H commented that in his view Moscrops had not exercised appropriate levels of diligence or responsiveness in this matter and that a lack of professional processes and standards had caused him avoidable losses. He said the business had misled him when setting his expectations about the portfolio.

Our investigator did not uphold this complaint. His view was that an email Mr H sent to Moscrops in the morning on 2 August 2024 did not represent a specific instruction to encash the portfolio immediately. Noting that the funds in the portfolio were priced at 12 noon and had a dealing cut off time of 11am, the investigator considered that Mr H's instruction to sell was made on the afternoon of 2 August. With the intervening weekend, this meant the price used to value the holdings was 5 August. In arranging for the portfolio to be sold based on the prices applicable to 5 August, the investigator's view was that Moscrops had acted appropriately.

With reference to what Mr H was told in the April 2024 review meeting, the investigator was not persuaded that Moscrops had given misleading information. In terms of the time taken for payments realised from the portfolio to be paid to Mr H, the investigator said that after holdings are sold, they can still be eligible for dividends because these are based on ownership of a holding at a specific date in the past. He commented that encashing a portfolio does not necessarily happen at one time, and this is why a portfolio can have a positive balance some months after being closed.

Mr H did not agree with the investigator's findings. He said that Moscrops had failed to set accurate expectations, provide clear information and meet the standards expected of a regulated adviser. Mr H referenced the FCA's Principles for Business, in particular Principle 6 ("A firm must pay due regard to the interests of its customers and treat them fairly") and Principle 7 ("A firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading").

Mr H said that Moscrops had given him misleading information about encashment of his portfolio. When he had asked what he needed to consider when looking at the value on the Fidelity portal, he said the response was: "Nothing – the value you see is the value you'll get. We can action it immediately as soon as you say the word." Mr H said that he was given the clear expectation that executing a request to sell would be swift and that valuation risk was minimal, but this was inaccurate.

Mr H said that he'd not been formally introduced to the Fidelity platform by Moscrops, and instead was discouraged from using it too regularly. He commented that he was given the impression that because Moscrops was managing his portfolio, he didn't need to be concerned about it. In his view, this took away his ability to make informed decisions. Mr H said that if he'd understood the pricing cut-offs and delays in receiving dividends after encashing the portfolio, he may have acted differently both in the way that he requested actions on the portfolio, and the timing of his requests.

In relation to instructing the encashment, Mr H said that on 2 August he'd clearly requested this but Moscrops had then tried to deflect and delay him. He said that he was not warned

about pricing cut offs, or that his instruction would not be acted on that day. He said that on 5 August there was a further attempt to prevent him selling. Mr H described his actions when insisting on selling as being an attempt to stand his ground, and reflected that he had lost trust in Moscrops. He summarised that he felt he'd received vague and overconfident advice, been discouraged from attempting to understand the investment, and there had been resistance from Moscrops when he'd attempted to act. Mr H asked that the broader context and spirit of his complaint be considered, this being that Moscrops misrepresented its service, did not act in accordance with its obligations, and did not treat him with transparency.

The investigator responded that he could not know for certain what was discussed at meetings between Mr H and Moscrops. Because the investigator considered that Mr H had first given a clear instruction to sell the portfolio after the 11am dealing cut off time on 2 August, his view was that when instructing for the holdings to be sold before the dealing cut off time on 5 August, Moscrops had not delayed executing the encashment.

Mr H asked that his complaint be reviewed by an ombudsman. He said that there was a lack of formal process or record keeping from Moscrops, and that the business had relied on informal conversations and undocumented guidance. Mr H suggested that Moscrops had breached FCA Principles 6 and 7, and also Principle 2 regarding conducting its business "with due skill, care and diligence". He said there had been a lack of documented explanations about key risks such as pricing cut offs, dividend drag and settlement timelines, meaning he could not make an informed decision.

Mr H said that his second call to Moscrops on 2 August had included a clear instruction to sell his portfolio, but the business had not then told him about the 11am cut off time for dealing. He stated that if he'd been told on 2 August that he'd missed the cut off time for that day, he would have acted decisively. Mr H commented that instead, he had to argue with the adviser to get himself heard. He repeated that he had lost trust in Moscrops, and he suggested that the business was benefiting by failing to keep clear records of its advice and interactions.

In a later submission, Mr H summarised that he felt he'd been misled by a professional adviser. He referred again to what he'd been told at a review meeting about the price on the portal being the value he would receive if encashing the portfolio, and how this could be actioned immediately. Mr H said that a member of his family who was also a client of Moscrops recalled being given the same information. He added that Moscrops had failed to explain material risks in relation to the encashment.

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.

Key to Mr H's complaint is that he says he was misled by Moscrops with information it gave him about his portfolio, and this prevented him making informed decisions. In particular Mr H has referred to the annual review meeting that occurred in April 2024. He says that he was told the portfolio value he could see on the Fidelity platform represented the amount he would receive upon encashment, and that Moscrops would act immediately if he requested to cash in his investments. He has also mentioned a family member having a similar conversation with Moscrops.

Clearly I cannot know for certain the details of what was discussed when Mr H met with Moscrops. However, Moscrops has provided its letter to Mr H on 19 April 2024 which summarised the April 2024 meeting, together with its notes from that meeting. The portfolio

had a value of about £313,000 at that time, and it was recorded that Mr H had asked if there were any charges upon encashment. The letter stated: "I confirmed that you could encash the full value of approximately £313,000, allowing for no market fluctuations". Mr H was warned however that the sale of proceeds could cause a capital gains tax ('CGT') charge for the holdings in the GIA. Moscrops' meeting notes confirmed a similar response.

Moscrops has said that the comments it made in the April 2024 meeting referred to the fact that a sale of the funds would not incur any additional charges, but that the portfolio value was dependent on the underlying investments. Based on the evidence provided I'm not persuaded that Moscrops gave Mr H an inaccurate answer to his question about the proceeds he would receive if he cashed in the portfolio. Moscrops' letter confirmed that the full value was available, indicating that there were no charges when encashing the holdings. But the letter also explained that the final value was dependent on market fluctuations. In my view, that was an accurate description of what value would be available upon encashment.

Mr H has said he was told by Moscrops that it would act immediately if he requested encashment. With that in mind, I've considered the events which occurred when Mr H did make such a request. His email sent on 2 August 2024 stated:

"I'm thinking that now is the right time to pull my portfolio back into cash savings. US volatility concerns me more than the Ukraine, and we know how that turned out. Could you advise on the next steps please?"

The adviser at Moscrops did not have access to his emails at the time, and this led Mr H to ring Moscrops the same day at 12:42. In its note about the call, Moscrops stated that it had asked Mr H if he wanted to encash his investment, and he'd responded that he wouldn't necessarily want to because he did not need money as yet for a house that he was building. The possibility of a CGT charge on the GIA funds was raised by Moscrops. In a later call at 16:25, Mr H confirmed that he did wish to sell all his investments on the Fidelity platform.

I have considered at what point Mr H gave a definitive instruction to Moscrops to sell the portfolio. Like the investigator, in my view the email Mr H sent on 2 August did not represent such an instruction. In the email Mr H said that he was thinking about moving the portfolio to cash, he explained his reasoning, and he asked for advice on next steps. On balance in my view it would not have been appropriate for Moscrops to regard this email as authority to cash in the holdings. I say that because Mr H had only said that he was thinking of taking this action.

Further to this, when Mr H spoke to Moscrops at 12:42, it seems that he'd not decided for certain that he wanted to cash in the portfolio because he did not require the proceeds at that time. In contrast I consider the call at 16:25 did represent a clear instruction to encash the portfolio.

The importance of the timing of the request to encash relates to the price that the assets were valued at when sold. As explained above, there was a dealing cut off time at 11am each working day for the assets, which were then priced at 12 noon. Although Mr H had emailed on 2 August before 11am, I do not consider that email represented a request to encash the assets. I also do not consider that it was unreasonable that Moscrops had not responded to this email by the time Mr H rang it at 12:42. This being the case, my view is that Moscrops' actions did not unfairly delay Mr H from making his definitive request to sell his portfolio.

When Mr H's selling request was made during the 16:25 call, the dealing cut off time for the day had already passed. As there was then a weekend, the next dealing cut off time for the assets was 5 August. Moscrops placed the sell instruction before 11am on 5 August,

meaning that the holdings were then valued for selling based on the next pricing of the relevant funds. Bearing in mind when Mr H made his explicit request to sell the portfolio, overall I do not consider that Moscroops's handling of the encashment request delayed it, or caused Mr H a loss in respect of the final value that he received.

Mr H has said that during his contact with Moscroops on 2 and 5 August, he was not warned about pricing cut off times, or that his instruction would not be acted on that day. Although I acknowledge what he's said, and there is no reference to pricing cut off times in Moscroops' notes for the 2 August calls, it does not seem to me that this has been detrimental to Mr H's financial position. I say that because, as already explained, the request to encash was made after the 11am dealing cut off time on 2 August. Indeed if Moscroops had mentioned the cut off time during either of the calls on 2 August, it would not have made a difference to the price used to sell the holdings because both calls occurred after 11am.

After 11am on 2 August had passed, the next dealing cut off was 11am on 5 August, and Moscroops put in the sell request with Fidelity before then. I can also see that in the note made of the call Mr H had with Moscroops on 5 August, the 11am cut off time for that day was mentioned by the business.

Mr H says that Moscroops deflected and delayed his attempts to sell. The call note on 5 August confirms that the adviser recommended retaining the portfolio on the basis that Mr H did not require cash at the time, and it seems that he also gave a positive outlook about future market movements. I appreciate that Mr H considers these were attempts by Moscroops to dissuade him from selling. However in my view it was not unreasonable for Moscroops to advise Mr H to retain his investments, on the basis that it believed prices would recover, and Mr H had no immediate need for cash. On balance I do not consider that Moscroops acted inappropriately when giving Mr H the advice that it did.

Mr H has suggested that Moscroops actions were not in line with the FCA's Principles for Business, in particular in relation to paying due regard to his interests as its customer, providing clear information, and acting with due skill, care and diligence. He says that Moscroops showed a lack of professional standards when handling his portfolio for him.

Specifically, Mr H has said that if he'd been given a better understanding of the length of time it would take to encash his portfolio and the way its holdings would be priced, he might have acted differently when requesting encashment. I note what he says, but it seems to me that 'timing the market' to achieve the highest selling value can never be guaranteed. That's because holdings inevitably fluctuate in value on a daily basis. Overall I'm not persuaded that a better understanding of the mechanisms of encashing his portfolio would have led to Mr H taking different steps when considering realising its value, or that he would have achieved a higher value than the amount that he was ultimately paid.

More widely Mr H says that Moscroops did not formally show him how the Fidelity platform operated, and he was discouraged from using it regularly. I cannot know exactly what was explained by Moscroops about the platform during its meetings with Mr H but I note the Fidelity key features document and client terms were provided to him at outset of the investment. Overall I consider there's insufficient evidence to indicate that Moscroops was attempting to dissuade Mr H from using the Fidelity platform, or wished to discourage him from understanding his investment.

And taking into account what I've said above about the encashment information contained in Moscroops' letter on 19 April 2024, in my view it's not been shown that the business misled Mr H about what would happen when he decided to encash the portfolio. Mr H has said that he was told that valuation risk was minimal, but it seems to me that Moscroops' annual review letters made it clear that the investments could fluctuate in value.

Mr H has said that Moscrops relied on informal conversations and undocumented guidance, and had a lack of record keeping. However the business has provided notes of conversations it had with Mr H, including the discussions which occurred at annual reviews. My view on balance is that Moscrops adequately recorded the ongoing service it was providing to Mr H, and the advice it gave to him about the portfolio.

Mr H says he lost trust in Moscrops, and he has asked that his complaint be considered in a broader context. His view is that Moscrops misrepresented its service and did not do all that it should have done when handling his portfolio. I appreciate that Mr H is disappointed with the fall in the value of his portfolio that he experienced at the time that he chose to withdraw his investment. But having considered the evidence provided, my current view is that Moscrops did act reasonably in its dealings with Mr H about his portfolio, and I don't consider the information it provided about encashment was misleading. I therefore do not currently intend to uphold this complaint."

Responses to my provisional decision

Mr H acknowledged that I'd concluded that his email on 2 August 2024 did not represent a definitive instruction to Moscrops to sell his holdings. He said that in his phone calls with Moscrops later that day he was completely clear that he wanted to disinvest, and that the only element of caution he had related to whether there were any legal or tax implications that might apply to encashment. Mr H explained that he was not seeking to debate this element of his complaint again, but he wanted to emphasise that he was clear about his intentions to sell the assets when he spoke to Moscrops after sending his email.

Mr H reiterated that central to his complaint was that Moscrops had told him not to look too often at the online portal for his investment, and had also told him that it would act immediately when he wanted to encash the portfolio and that the value he saw on the screen was the amount he would receive. Mr H commented that what he had been told verbally was of more importance to him than the paperwork he was given. He said there had been a prolonged timescale for the full encashment of the portfolio, and that this contradicted what he'd earlier been told verbally about receiving exactly the online portal value immediately after requesting disinvestment.

Mr H said that he has more recently learnt that one of Moscrops' advisers does not work on Fridays, and that this placed a constraint on encashment that he'd not previously known about. He explained that he was concerned the verbal messaging he'd received from Moscrops was not in line with the spirit of FCA Principles 6 and 7.

Mr H acknowledged that my provisional decision had not proposed that he receive redress, but he asked me to consider whether it would be appropriate for Moscrops to be required to write to his family members to clarify the process for encashment and to explain that the online screen value is not guaranteed to be paid. He said that his family members had been given similar verbal guidance on these matters as he had received, and had interpreted it in the same way. As a result, he said that this indicated there was a problem with Moscrops' messaging rather than his interpretation of it, and this could affect other clients in the future. Mr H asked that I consider requesting Moscrops review how it describes the valuation and encashment process to all its clients.

Moscrops confirmed that it accepted the provisional decision and did not make further submissions.

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 carefully considered Mr H's further comments in response to my provisional decision, but having done so, my view remains as expressed in that decision. Based on the weight of evidence provided, I'm not persuaded that Moscrops did misrepresent the encashment process verbally to Mr H. It seems to me that it did explain that when encashing, market fluctuations could impact the final proceeds paid out.

I note what Mr H has said about the adviser not working on Fridays. However Mr H was able to contact Moscrops on a Friday, and in fact successfully confirmed his request to sell his portfolio on a Friday. Overall I do not consider the working pattern of the adviser constrained Mr H's ability to encash his assets.

I appreciate that Mr H would like me to require Moscrops to contact his family members to clarify the encashment process and explain the online screen value is not guaranteed to be the amount paid out by a portfolio. He has also commented that more generally Moscrops should be required to review how it describes the valuation and encashment process to its clients. I should explain that the role of the Financial Ombudsman Service is to consider individual complaints made by consumers about their own financial products. We do not have the wider role of regulating the financial services industry, this instead being the role of the FCA. I understand that Mr H is likely to be disappointed with my findings. However my conclusion in relation to this complaint remains that Moscrops should not be required to take any further action.

My final decision

My final decision is that I do not uphold this complaint, and I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 5 January 2026.

John Swain
Ombudsman