

The complaint

Mr B complains James Brearley & Sons Limited (JB) confused and disrupted his efforts to reinvest funds in a structured investment product.

What happened

The facts of this case are well known to both parties. But in broad summary:

- Mr B held cash savings with JB which he intended to invest in a structured product.
- He was told in error his cash would attract interest whilst awaiting investment.
- Mr B specified how much he intended to invest, but JB invested a different amount.
- Having raised these issues, Mr B was unhappy with how his complaint was handled.
- JB paid Mr B £250 to address the impact its actions had on him.
- Mr B remained dissatisfied and referred his complaint to our service.

Our investigator concluded that whilst JB hadn't always acted as it should have, its offer of compensation felt fair in the circumstances. They were persuaded JB's offer covered any interest Mr B missed due to being misinformed about when that interest was payable. They were also persuaded JB had corrected the issue caused by not investing the amount specified on Mr B's investment application form. Finally, they felt the residual amount of compensation, in excess of £100, was sufficient to acknowledge any distress or inconvenience caused by JB.

Mr B rejected our investigators findings. Amongst other things he argued:

- JB should've queried the amount specified on his application form before proceeding to invest a different amount.
- JB and its systems didn't communicate well with other parties involved in his investment, and this had contributed to the poor service he'd received.
- Whilst Mr B didn't dispute the £250 he'd been paid eclipsed the interest he'd lost out on, he suggested he should fairly be owed more in compensation.

As no agreement was reached, the matter's been referred to me for a final 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.

When processing applications for its customers, PRIN 2.1.1 R requires JB to act with "*skill, care and diligence*". When communicating with its customers, the same rules require it to "*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*". And broadly, across its investment dealings with its customers, COBS 2.1.1 R requires JB to "*act honestly, fairly and professionally in accordance with the best interests of its client*".

Where I find a firm's failed to treat its customer fairly, I'm empowered to put matters right by awarding costs and compensation to ensure a customer's not left worse off. But it's not my place to establish or punish regulatory breaches, nor is it for me to audit and restructure a firm's processes where I find they've contributed to errors. In this case, I'm principally concerned with the question of whether Mr B has lost out as a result of the way he's been treated by JB. And if so, what should fairly and reasonably be done to set matters right.

On the evidence given, I'm satisfied JB has, at times, failed to uphold the requirements I've highlighted above. I say this because the evidence persuades me that:

- JB's terms are clear about when and how interest is payable. However, I think it's more likely than not that had Mr B been correctly informed about this when enquiries were made, he's likely to have taken the action necessary to ensure he benefitted from that interest.
- JB would've seen how much Mr B intended to invest from his application form, but proceeded to invest a different amount regardless. Whatever the reasons for the discrepancy, I'd reasonably expect JB to have clarified this with Mr B prior to acting against what was stated on his application to ensure it was acting in his best interest.

Had JB failed to address these issues, it's likely I'd have made an award to cover any losses Mr B incurred as a result of the firm's errors. But JB's explained Mr B was ultimately able to invest the cash difference it failed to query following his initial application. And Mr B accepts the amount JB's paid him covers any lost interest that's arisen from the issues raised in his complaint. As the firm has addressed these losses, I'm satisfied it's fairly and reasonably dealt with this element of Mr B's complaint.

What remains to decide is what Mr B should be paid with respect to the distress and inconvenience JB's handling of the matter has caused him. Stripping out the interest element of the £250 JB's paid, he's left with an award in excess of £100. Our service's approach to compensating individuals for distress and inconvenience they've suffered is not algorithmic. Instead, as an Ombudsman I'm empowered to settle the matter based on what feels fair and reasonable to me, having taken account of all of the evidence and circumstances of the parties in a complaint.

Having done so in Mr B's case, in my view, I'm struck that the events of this complaint have come as a modest inconvenience to him. JB caused errors in the first place and didn't always communicate especially well in the aftermath. But I'm not persuaded this caused Mr B the kinds of trouble our service would typically see in cases which attract higher levels of compensation. On balance, I think the amount of compensation JB's paid to address the distress and inconvenience its actions caused Mr B is fair and reasonable. I shan't require JB to increase its award.

My final decision

My final decision is that I uphold Mr B's complaint about James Brearley & Sons Limited, insofar as I accept it hasn't always treated him as it should have. But for the reasons given above, I'm not recommending the firm takes any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 18 May 2026.

Marcus Moore
Ombudsman