complaint

Mrs T complains Santander UK Plc didn't manage her fund correctly. She says the adviser told her the fund would mirror the performance of the FTSE100 index but it lost over £500 during a period when the FTSE 100 index was rising, and eventually reached its highest value. She also says Santander told her it would provide her with free advice and regular reviews.

background

Santander rejected her complaint, but offered £100 for its poor handling of her various queries.

An adjudicator at this service didn't feel the complaint should be upheld.

He said the FTSE had actually fallen in value by 6.5% during the period in question, and this fall was greater than the fall in Mrs T's fund over the same time. This was because her fund was not a tracker fund that simply reflected the movement of the FTSE, but one which contained a mix of assets including those featured in the FTSE's index. This also explained why the FTSE might have reached an all-time high but this wasn't reflected in the value of Mrs T's fund.

Overall, he said he'd seen no evidence that Santander had mismanaged her fund.

He also said he'd seen no evidence that Santander had agreed to monitor Mrs T's investment and offer advice on a regular basis.

Mrs T disagreed and said:

- She wanted to see the evidence that the adviser hadn't misled her
- Santander's offer of £100 was underhanded as it was only open for six months, placing her under pressure to accept it
- Its early annual statements provided her with a tear-off slip to be returned if she wanted more advice, proving it agreed to review her investments

The adjudicator subsequently confirmed Santander's offer of £100 was still open, and offered to get this processed. Mrs T did not accept this as settlement of her complaint.

She said she was also complaining Santander had mis-sold her the investment in the first place, and this needed to be considered as part of her complaint.

Santander said this hadn't been part of her original complaint, and it had not so far looked into the issue of the sale itself.

As no agreement has been reached, this complaint has been passed to me for review.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In this case, I agree with the adjudicator and for substantially the same reasons.

The FTSE fell significantly during the period in question, so it's not necessarily surprising if Mrs T's fund also fell as the assets within it were linked to the overall Stock Market.
They were not, however, directly tied to the FTSE index so wouldn't automatically rise or fall in direct proportion to that index.

Santander apologised to Mrs T for its poor handling of her various queries – before she brought her complaint to this service – and offered £100 for this. I understand this £100 is still on offer. I do not think it's appropriate to instruct it to pay more than this.

I recognise it will have been frustrating for Mrs T when Santander withdrew its branch-based advisors, but it was entitled to do this as part of its normal commercial decision-making. So it's not something I feel I can or should pass judgment on.

Finally, I confirm I've seen no evidence Santander promised Mrs T free, ongoing advice. This was a one-off investment with a set charge for that investment, and not a fully-managed fund/portfolio in which customers pay an annual management fee for ongoing advice.

Having read Mrs T's original letter to Santander, I think it's now clear she was also complaining about the original advice to invest in this fund. But as Santander did not respond to this issue, it is not possible to consider this matter as part of this complaint.

Santander has said it will now respond to Mrs T's complaint about the sale within the next eight weeks. If she remains unhappy with its response, she can bring a new complaint to this service on this issue.

I am sorry this will cause further delay in reaching a resolution of Mrs T's complaint but it is impossible for me to consider this issue now, particularly as I have yet to see any of the key documentation concerning the original sale.

my final decision

For these reasons, I do not uphold this complaint or make any award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 5 February 2016.

Tony Moss
ombudsman