

complaint

Mrs N's complaint is that Beaufort Securities Limited gave her unsuitable advice and pressured her into taking it. When she decided to leave Beaufort, it failed to transfer her holdings properly and didn't tell her that one of her holdings had been suspended.

background

Mrs N opened an account with Beaufort in 2009. She completed a fact find over the phone and deposited £18,500 to be invested. In 2014, Mrs N complained. She said that Beaufort's adviser had "*bullied*" her into taking his advice. The advice itself she feels was negligent, and as a result she has lost money.

An adjudicator investigated her complaint, and concluded that it should not be upheld. She said, in summary:

- Having listened to all of the available phone calls between Mrs N and the adviser, she heard no evidence that Mrs N had been pressurised to take his advice.
- The advice itself was presented in a balanced way with a reasonable rationale for each recommendation.
- The shares the adviser recommended were in line with Mrs N's attitude to risk.
- Whilst Mrs N was understandably disappointed with the performance of certain stocks, this does not necessarily show that the advice was negligent or unsuitable.
- The suspension of a recommended share did not take place until after the account had been transferred. It was not therefore Beaufort's responsibility to tell Mrs N about it.

Mrs N disagreed. Briefly, she said:

- She was told she had to invest £20,000 to open an account. It was not her broker but another Beaufort employee who told her this.
- The advice she got was poor.
- Beaufort should have known before it was announced that the particular share would be suspended.

The adjudicator was not persuaded to change her mind. There was no telephone evidence that Mrs N was told she needed to invest £20,000. In any event Mrs N had not invested that much. After reviewing the phone calls she was satisfied that the risks had been made clear and that the advice was reasonable. She did not consider that with respect to the suspended shares Beaufort had done anything wrong.

Mrs N was not persuaded by the adjudicator's arguments and so the complaint has been passed to me.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

There is no evidence to confirm that Mrs N was told that she must invest £20,000. The business says it does not have a £20,000 minimum investment. In any event Mrs N's initial investment was below this level. The real issue here is whether Beaufort pressurised Mrs N

to invest more money than she wanted to. Based on the available evidence I am not persuaded that it did.

The root cause of Mrs N's unhappiness is that she considers the advice she has received has been poor and that the recommendations have lost her money. It is true that a few of the firm's recommendations have been particularly unsuccessful. Investment research even when carried out with skill and care does not guarantee success. Therefore the fact that a recommendation turns out to be poor does not show that the recommendation was wrong or negligent. Having said that, from the account records I am satisfied that overall the account has done reasonably well. Taking into account the value of the holdings at the time the account was closed as well as the money paid in and out of the account I am satisfied that a modest profit was made.

The suspended stock was not suspended until after the account was transferred away from the firm. Beaufort had no responsibility to tell Mrs N about the suspension. I also consider that it is unreasonable to suggest that Beaufort should have known the stock would be suspended.

I am therefore satisfied that in its dealings with Mrs N, Beaufort has not done anything wrong.

my final decision

For the reasons given, my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to Mrs N to accept or reject my decision before 24 August 2015.

Michael Stubbs
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