

complaint

Mr B's complaint concerns the investment trust he purchased. Mr B says Baillie Gifford Savings Management Limited should have told him it would soon not be acting as the investment manager. Because it failed to do so, he had to sell the investment trust, which caused him a loss.

background

The complaint was investigated by one of our adjudicators, who did not think it should be upheld. The adjudicator didn't think Baillie Gifford would have been able to provide commercially sensitive information to a consumer before the change of manager was announced. The adjudicator also thought Mr B was given a reasonable range of options once the change of manager was made public.

Mr B did not agree with the adjudicator's assessment. In summary, he said:

- He couldn't accept that Baillie Gifford wasn't in a position to divulge the information.
- Whether or not the information was commercially sensitive, it was withheld.
- As a new investor in the fund, it was vital to be made aware of all relevant information, including the imminent change of manager.
- He was an experienced investor and had researched the fund before investing. Had he known of the forthcoming changes he would have chosen a different investment.
- The adjudicator said Mr B was given the option to retain the fund. But in reality his ISA platform was unable to accept the transfer.
- The letter Baillie Gifford sent him said that if a number of investors wanted to deal in the fund on a particular day, this could affect its liquidity.
- This caused him great concern and further anxiety.

The matter has now been passed to me for consideration.

my findings

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

Mr B purchased shares in the investment trust on 11 April 2014. The trust had been managed by Baillie Gifford for many years, and was available on its platform.

But on 22 April the board of the investment trust decided to appoint a new business to act as the manager. It informed Baillie Gifford of this the same day.

So while I appreciate Mr B's feelings about this, I've not seen evidence Baillie Gifford was aware on 11 April 2014 of the decision that was taken 11 days later. It may have been aware that a review was taking place. But even if this was the case, I agree with the adjudicator it would be commercially sensitive information. So I don't think Baillie Gifford could be reasonably expected to divulge it publically ahead of the formal announcement.

Baillie Gifford wrote to holders of the investment trust, including Mr B, on 30 April 2014. It explained the change that was taking place and the reasons for this. Also, as Baillie Gifford would stop acting as the manager, it could no longer offer the investment trust through its platform.

Baillie Gifford wrote to Mr B again on 15 May 2015. The letter set out three options available to investors:

- to switch to another investment trust managed by Baillie Gifford;
- to transfer the investment trust to another provider of his choice;
- to sell the investment trust.

I have noted Mr B's comments on the options available, but I find them to have been reasonable. I understand he was not able to transfer the investment trust to another provider he used for other investments. But this was outside Baillie Gifford's control.

Mr B has said he was concerned by the comments in the letter about the effect on the liquidity of the investment trust shares. But I think it was reasonable to include such a warning.

In the end Mr B asked to switch the investment trust shares into the share plan he held with Baillie Gifford. This was not one of the options included in the letter. But Baillie Gifford allowed the change Mr B wanted.

I note Mr B has referred to the investment trust as "soon to be redundant" at the point he purchased it. I am unable to agree with this comment. While the manager of the investment trust was to change, it continued to operate. In fact, shares in the investment trust remain available to purchase up to date.

I appreciate Mr B was upset to learn of the change to his investment so soon after he bought it. But I think this was largely a matter of unfortunate timing. For the reasons I've explained, I have not seen evidence Baillie Gifford did anything wrong.

my final decision

I do not uphold the complaint and I make no award.

Doug Mansell
ombudsman