

complaint

Mr Y's complaint is about the administrative errors made by Financial Administration Services Limited (Fidelity) during an investment re-registration process. He said that he has suffered a financial loss amounting to £5,543.17.

background

The complaint was investigated by one of our adjudicators. She believed that the offer made by Fidelity in respect of the issues Mr Y complained about, was fair and reasonable in the circumstances.

She felt that Mr Y's quantification of his losses was based on an assumption that certain switches would have been made earlier (had errors not occurred). She did not believe there was sufficient evidence that would have happened and did not believe there was sufficient certainty that the funds would have been invested during the periods of March and April 2013. That was because the re-registration process completed on 29 May 2013 and it was not until 4 July 2013 that a review took place to discuss fund switches.

She said that the 'fact find' of July 2013 was the only piece of material evidence to suggest further advice was being sought about the fund choice. Therefore, she was not persuaded that there was sufficient evidence to suggest that switches would have been made in either March or April.

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 Y essentially claims for the reduction in the value of his investments during the period when Fidelity delayed his transfer and incorrectly transferred his ISA holdings. I can see why he would request that as it seems that the value of his investments did fall in that period.

However, what also has to be considered is that this reduction in value was caused by a reduction in value of the funds into which he was invested. It was not directly caused by Fidelity. Simply assuming Mr Y's loss is the difference between the values between two points in time is not actually the appropriate way to assess loss.

To explain, if Mr Y had simply remained invested in the same funds then there would be no investment loss because he had taken the decision to invest in those funds and would be subject to any applicable rises or falls in those funds. There can only have been a loss if the delay led to Mr Y not being able to make different investment decisions (in this case switch to different funds) *and* those different funds would have performed better than the funds in which he was previously invested. I have noted that even when switches were recommended in July 2013 with respect to the non-ISA holdings, the recommendations were to switch to equity based funds, which would be subject to the vagaries of the market.

I have only seen material evidence of any recommendations to switch in July 2013; so after the transfer took place. It is entirely possible that this was only delayed because of Fidelity's delay in transfer, so those recommendations would otherwise have taken place earlier. We do not know if those fund switches, taken earlier, would have led to a greater value now than the value Mr Y actually has. But, be that as it may, it is very difficult to say with any degree of certainty whether the same recommendations would have taken place.

That degree of uncertainty is even more pronounced when considering Mr Y's ISA holdings which were eventually switched into cash when 'returned' to Fidelity. What investment decisions would have been made with the ISA and when is not possible to assess, although I note that Fidelity has agreed to backdate the transfer to April resulting in an offer of approximately £400.

I can appreciate why Mr Y is unhappy and he has certainly been significantly inconvenienced by Fidelity. I can make an award for that but I think whether any actual loss has been suffered is too uncertain for me to make a further award for investment loss.

my final decision

I uphold the complaint insofar as Financial Administration Services Limited made errors and caused delays in transfer.

However I believe it has offered fair and reasonable redress via its offer for tax losses on his ISA and the payment in respect of earlier assumed ISA transfer.

I do, however, believe Mr Y would have been significantly inconvenienced by the prolonged delays and order Fidelity to pay £600 in this respect.

David Bird
ombudsman