

complaint

Mr T complains that Financial Administration Services Limited (“Fidelity”) isn’t able to transfer part of his Individual Savings Account (ISA) to another ISA manager. This wasn’t made clear in the original documentation.

background

Mr T has an ISA account with Fidelity, which is made up of a number of different holdings. He wanted to transfer part of his ISA to another provider, but Fidelity told him it didn’t offer partial transfers.

Mr T complained and said Fidelity hadn’t made this restriction adequately clear in its marketing literature. He said it wasn’t in line with his legal agreement with Fidelity, and the term ‘partial transfer’ didn’t appear in his client terms. He questioned Fidelity’s distinction between the two terms used in its literature – ‘*transfer*’ and ‘*re-registration*’.

Fidelity said it was its discretion to decide what type of ISA transfers it offered. This was set out in its client terms, which Mr T had signed to accept.

Our adjudicator didn’t think the complaint should be upheld. She thought the terms ‘*transfer*’ and ‘*re-register*’ in the client terms essentially meant the same thing. She said Fidelity wasn’t obliged to offer partial transfers and didn’t think the original selling material was mis-leading about what Fidelity offered.

Mr T didn’t accept the adjudicator’s findings and didn’t think she had referenced all of the points he had made. He said Fidelity defined the two important terms differently and its client terms unambiguously do not restrict what he wanted to do.

my findings

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

I have looked through Fidelity’s client terms alongside what Mr T has said.

The two terms that are relevant here – ‘*re-registration*’ and ‘*transfer*’ are separated and defined differently. Re-registration to be when shares or units are moved to another provider without being sold and transfer to be when shares or units are sold and then the cash is transferred to another provider.

Mr T wanted to make a cash investment with another provider using his annual ISA allowance, and top-up this investment by transferring (rather than re-registering) his previous years’ ISA investments held with Fidelity.

Under the section 13.2 ‘*Moving to another ISA manager*’, Fidelity’s client terms say:

- (a) *If you ask us to Re-register or Transfer your ISA to another ISA manager we will do this in line with clause 3.4. We can only Re-register your whole ISA account (covering all the Years for which you hold ISA Investments).*
- (b) *We will process your Transfer within such time as you may stipulate (not being less than 30 days from the receipt of your Instruction).*

- (c) If we can't Re-register all of your ISA Investments we will sell the remaining Investments and Transfer the cash proceeds to your new ISA manager if they agree. We will take any money due to us from the Transfer amount.*

Clause 3.4 'Moving Investments out' says:

- (a) If you wish to Re-register your Investments with another provider, we will do so if your new provider agrees. We or they may charge you for this.*
(b) If you ask to Re-register an Investment this will normally be arranged through your new provider. We will Re-register the whole of your holding in that Investment.

From the way that these terms are written, I can see why Mr T has drawn the distinction between 'transfer' and 're-registration'. Fidelity defines them slightly differently, but they do essentially both mean the moving of the ISA from one provider to another.

Fidelity's terms don't use the actual phrase 'partial transfer'. But I don't think that this is unreasonable as it would be difficult for the terms to cover every scenario that couldn't be done.

Each of the sections about the moving of the investments refers to the whole account or investment. In the sense that the clauses about the movement of funds are written, I can't see that a specific difference is highlighted about what can be done with a 'transfer' or a 're-registration', or any agreement is given that just part of a holding can be moved.

Overall, I think that Fidelity is entitled to decide what types of transfers it wants to offer. I can't see that it specifically offered the ability to only transfer part of a holding to another provider within its client terms. So I don't think it hasn't met the terms of its agreement with Mr T.

my final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr T to accept or reject my decision before 20 July 2015

Cathy Bovan
ombudsman