

complaint

Mr and Mrs M are unhappy with National Westminster Bank Plc's (NatWest) lack of advice and service after their previous regulated adviser left in September 2012. In summary, they complain that:

- NatWest's current staff are not qualified to help with their portfolio;
- They have had no one to speak to about their portfolio and weren't aware that changes had been made to NatWest's service;
- Given the lack of ongoing advice, they believe that they have paid for a non-existent service. They would like a refund of a proportion of the management fees they paid since the previous adviser left.

background

NatWest told us that the way it gives its advice changed significantly as a result of the Retail Distribution Review conducted by the Financial Conduct Authority (FCA). This meant that there was no longer one person whom Mr and Mrs M could contact and discuss their portfolio with. However, NatWest confirmed that the original management fee did not cover the cost of ongoing advice.

NatWest admitted that there was a failure in the service provided to Mr and Mrs M because they weren't properly told about the changes. It confirmed that new regulated advisers have been put in place. NatWest told us that it is now contacting its customers to offer a portfolio review, free of charge, to explain the new advice structure.

The adjudicator reviewed the terms and conditions applicable to the portfolio service, the client agreement dated January 2007 and the portfolio service fees booklet. She said that the management fee was for the management of the fund and administration of the investment. It was not for ongoing financial advice. So the adjudicator didn't agree that a proportion of the management fees paid should be refunded. She agreed that the level of service provided by the business was poor. She thought that the offer made by the business of £300 was fair and reasonable.

Mr and Mrs M did not agree with the adjudicator but didn't have anything further to add to what they had already told us.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I recognise that Mr and Mrs M feel strongly about the issues they have complained about. But I agree with the adjudicator's conclusions, and for broadly the same reasons.

The agreement that Mr and Mrs M signed in January 2007 did not say that ongoing financial advice would be provided. In fact, the only reference in the terms and conditions to advice says that NatWest '*may offer advice*' based on its understanding of the customer's investment requirements. I take this to mean that NatWest could provide advice when it felt that it was appropriate.

NatWest has accepted that this practice changed following the Retail Distribution Review conducted by the FCA and that it now charges a fee for any advice. I've read the document

which was sent to Mr and Mrs M that details the fees that NatWest charged for managing portfolios. I've seen nothing in there which says that ongoing financial advice is included. I am satisfied that the annual management charge did not cover ongoing advice. So I don't think Mr and Mrs M should be refunded a portion of the management fee that they paid.

But NatWest has acknowledged that during the period complained about it had to change the way it provided its service. This change was not communicated clearly to Mr and Mrs M. It also acknowledged its service fell below the standard they expected. I think that in the circumstances, the offer it made of £300 to Mr and Mrs M is fair and reasonable.

my final decision

My final decision is that I uphold the complaint in part. National Westminster Bank Plc must pay Mr and Mrs M £300.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs M to accept or reject my decision before 6 November 2015.

Alessandro Pulzone
ombudsman