DRN-3985947

## The complaint

Mr and Mrs D complain that Nationwide Building Society didn't take any action when their investment lost value. They say they were paying a monthly charge for advice but received no contact from Nationwide when their investments lost around 12% of their value.

## What happened

Mr and Mrs D sought advice from Nationwide in 2017 and again in 2021. They wanted to invest for the medium to long term with the objective of capital growth and, on an attitude to risk scale of 0 to 5, they were assessed as being 3.

In 2017 they invested £9,650 each in a mixed investment fund in an ISA. In 2021 they invested a further £20,000 each. They chose to receive Nationwide's ongoing service at an annual cost of 0.75% of the value of their investment, payable monthly.

Mr and Mrs D say they understood their investment was being looked after by Nationwide and that it would have reacted to the loss to protect the value of their investment. Mr and Mrs D decided to encash their investment and want Nationwide to compensate them for the loss they made, £2,758.80, plus interest.

Nationwide said it had provided the agreed service and that Mr and Mrs D always had access to its financial planning managers. It said Nationwide was satisfied with how the fund Mr and Mrs D were invested in was performing, so it didn't advise changing it.

Our investigator didn't recommend that the complaint should be upheld. She thought Nationwide had operated in line with the agreed terms and she didn't think its investment committee had failed in its duties.

Mr and Mrs D didn't agree and didn't think this service had considered their complaint with due diligence.

## What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I find I have come to the same conclusion as the investigator for the following reasons:

I'm satisfied that Nationwide provided the agreed ongoing service. Mr and Mrs D had access to a financial planning manager and could have contacted them at any time to discuss their investment. They received an annual report and Nationwide contacted them annually to confirm their investment remained suitable for them, but to also check if their circumstances had changed and would carry out a review if necessary. And Nationwide's investment committee monitored its range of funds and Mr and Mrs D would have been contacted had it thought a change was necessary.

Mr and Mrs D say Nationwide's annual report said:

*“Our investment committee continues to monitor the funds on our panel and will write to you if there are concerns about a fund that may no longer be suitable for you, so you can decide what action you would like to take.”*

And that Nationwide said the ongoing advice service provided them with *““reassurance that we are keeping an eye on your investment portfolio.”*

I’m satisfied that Nationwide provided what it said it would. I say that because, although the value of Mr and Mrs D’s fund had gone down, Nationwide’s investment committee thought the fund would still meet its long-term objectives. So there was no reason for it to need to contact Mr and Mrs D because it didn’t recommend a change to their investment. And Mr and Mrs D hadn’t told Nationwide about any change in their circumstances which would suggest the fund was no longer suitable for them.

It would appear the investment had reacted as expected to general market conditions at the time. And I’m satisfied that Mr and Mrs D received the necessary warnings about investment performance and risk and would have understood that their investment could fall in value.

Nationwide didn’t contact Mr and Mrs D to tell them that their investment had fallen in value, or to provide any commentary about the volatile market conditions. But I don’t find there was any obligation on it to do so. The fall in the value of Mr and Mrs D’s fund was in line with market performance and, as already noted, Nationwide didn’t have concerns about the suitability of the fund – it still aimed to provide capital growth with a small degree of risk. Nationwide could have provided commentary about market conditions, but this was being widely reported elsewhere and Mr and Mrs D could have contacted their financial planning manager if they had any concerns they wanted to discuss.

In response to their complaint, Nationwide explained that it had received correspondence from other consumers about market volatility and, in response, it had sent out letters and emails about current economic and market conditions. I don’t think the overall outcome here would have been any different if Nationwide had proactively provided Mr and Mrs D with commentary at an earlier stage. I say that because, when Mr and Mrs D did contact their financial planning manager, he provided commentary and explained why he didn’t recommend any changes in their investment. But Mr and Mrs D clearly weren’t reassured as they decided to encash their investment at a loss. If they’d received that commentary any earlier, I don’t think it would have changed their minds.

## My final decision

For the reasons I’ve explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs D and Mr D to accept or reject my decision before 19 December 2023.

Elizabeth Dawes
**Ombudsman**