

The complaint

Mr A complains that Financial Administration Services Limited (trading as Fidelity International, and hereafter referred to as 'Fidelity') failed in its duty of care when allowing him to sell his investments at a loss, instead of directing him to an independent financial adviser ('IFA'). To resolve his complaint, he wants Fidelity to put right his £1,500 loss and to provide him with a written letter of apology.

What happened

Mr A's investment account was set up through his IFA in January 2022.

On 3 August 2022, Mr A received a letter from his IFA to inform him of their retirement. The IFA transferred him to a different firm – and that second IFA wrote to him on 6 August 2022 regarding his Fidelity investment account. After further telephone correspondence, Mr A decided to speak with Fidelity directly – noting that he didn't want the second IFA to action the investment account on his behalf.

On 15 August 2022, Mr A called Fidelity and asked it to surrender his investment.

On 19 August 2022, Mr A asked Fidelity through its online portal if he could remain a direct customer, even though he had liquidated his funds. Fidelity replied shortly afterwards to explain that Mr A could operate his own investment account without an appointed IFA. It also provided him details of applicable fees. Later that day, Mr A instructed Fidelity to close his account.

On 22 August 2022, Mr A called Fidelity again. He said he felt that Fidelity ought to be held accountable for the issues he had with his IFA that had caused him to sell his investments.

Mr A then complained in writing in a letter dated 24 August 2022. He told Fidelity that despite the issues he had experienced with the change of IFA (which he explained), his investment account was held with Fidelity, so it must be liable for his complaint.

Mr A reaffirmed that he was complaining because he felt forced to sell his investments, when Fidelity ought to have otherwise offered care for his circumstances. He said he felt bullied and irrelevant. He said Fidelity should compensate his losses and offer a letter of apology.

On 1 September 2022, Fidelity rejected Mr A's complaint. It said it was sorry to learn of the confusion Mr A had been caused following the retirement of his IFA. However, it said that advisers who use its platform were separate entities from Fidelity – and advice from external IFA's (or lack of advice) was not its responsibility. Finally, Fidelity also said that in the call of 15 August 2022, Mr A hadn't mentioned the change of IFA.

Mr A then referred his complaint to this service. One of our investigators contacted Mr A to discuss his complaint. Thereafter, Mr A also made a complaint about service failings by the Financial Ombudsman Service. He felt that our investigator had behaved unprofessionally in calling him about the complaint, which led to him needing to take a day off from work.

An ombudsman manager from this service reviewed the service Mr A had received, both from our investigator and overall. That separate matter was concluded, with Mr A accepting the proposed outcome.

Our investigator then explained that she did not think the complaint ought to succeed. She said Fidelity had no involvement in deciding who Mr A's IFA was, or the actions taken by either adviser. In her view, Fidelity had acted upon Mr A's requests reasonably and promptly. If Mr A wished to, he could complain to either of the IFA's directly.

Mr A agreed that complaints ought to be made against both IFA's and asked our investigator to help him with this. He also said he wanted the Fidelity complaint to be referred to an ombudsman. He did not make any further specific submissions.

Fidelity had no other comments to make.

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.

I thank the parties for their considerable patience whilst this matter has awaited referral for an ombudsman's review.

For completeness, my decision will not review any aspect of the service concerns Mr A has raised about our investigator; those were addressed by our ombudsman manager in her correspondence from December 2022.

The Financial Ombudsman Service provides informal dispute resolution. My remit is to make findings on what I believe to be fair and reasonable to both parties in the circumstances and this does not follow a prescribed format. Instead, I will set out my reasons for my findings on what I consider to be the central issues in this complaint, based on the evidence before me.

Having reviewed everything, I cannot uphold this complaint because I do not believe Fidelity to have acted unfairly or unreasonably in operating Mr A's investment account.

I have carefully reviewed the terms and conditions of the account – and it explains how the account is (ordinarily) operated by an appointed adviser. And it goes on to explain how "if you have an adviser they are responsible for the suitability of any investment advice they give you". The reason for this is because Fidelity acts in a purely administrative or 'execution only' capacity, with the usual course of action being that it takes instructions from Mr A's nominated adviser.

Fidelity didn't have any connection with either Mr A's original appointed IFA, or the one he was subsequently transferred to. It also was not made aware that the adviser had changed until after Mr A made the direct request to surrender his investments.

The policy terms allow Mr A to close the investment account at any time - so Fidelity was not unfair or incorrect to act on his instruction. I appreciate that Mr A feels upset and frustrated that the investment suffered a loss overall; however, for the reasons I've explained, Fidelity did not have any input into Mr A's decision to close his account. Contrastingly, it informed him on 19 August 2022 how the investment account could remain open if Mr A had wanted to retain it.

I cannot agree that Fidelity has done anything wrong in how it has responded to Mr A, its operation of the account or it having actioned his request to surrender his investments. I

therefore do not agree it has failed in any duty of care, nor do I believe it ought to make good any losses Mr A has suffered due to market fluctuations with the underlying holdings.

I understand Mr A has now pursued separate complaints about both IFA's and I leave that matter for him to pursue with this service separately.

My final decision

I know my final decision will be disappointing for Mr A. But for the reasons set out above, I do not uphold this complaint or make any award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 4 January 2024.

Jo Storey
Ombudsman