

## The complaint

Ms M complains that Financial Administration Services Limited (trading as Fidelity International, and hereafter referred to as '*Fidelity*') has acted unfairly in relation to a transfer of her investment ISA from the previous provider, Legal & General ('L&G'). She says it has unreasonably asked her to provide identification and placed a hold on her account because verification wasn't completed. She also says Fidelity failed to consider appropriate adjustments in respect of her position as a vulnerable consumer.

To resolve the matter, Ms M wants Fidelity not to apply any hold on her account, to be able to withdraw her funds without verification, and to receive compensation for Fidelity's actions.

## What happened

Ms M has a disability which affects both of her eyes, the facts of which are known to the parties. She has also discussed her disability with Fidelity and this service from October 2021 onwards, as well as supplying detailed written submissions regarding her circumstances in early 2023.

Ms M was informed by L&G of corporate action which allowed customers with investments ISAs to transfer across to Fidelity, or to withdraw their funds. Ms M consented with L&G to have her ISA migrated over to Fidelity. The ISA was transferred to Fidelity on 5 September 2021. It accordingly sent her a welcome pack on 7 September 2021.

In December 2021, Fidelity wrote to Ms M asking for copies of documents as proof of her identity and address, in order to verify that it was holding funds for the right customer. It said that as a result of the transfer from L&G, it was required to confirm Ms M's identity in accordance with anti-money-laundering legislation.

In January 2022, Fidelity wrote to Ms M again as it hadn't received any reply to its previous correspondence. It reiterated how Ms M could use its online services or send photocopies of the required verification documents to it by post. Fidelity explained to Ms M that if it did not hear from her within 30 days, it would have to place a hold on her investment account until verification was satisfactorily completed.

Thereafter, Ms M called Fidelity on 10 February 2022, where she raised a complaint. She told Fidelity that she had never asked for her investment to be transferred, and if she had known that in doing so she would be asked for verification documentation, she'd wouldn't have agreed to the transfer. In Ms M's view, the letters from Fidelity with the timescales had been tantamount to bullying.

Fidelity also wrote to Ms M on 11 and 24 February 2022, chasing the documentation.

In mid-March 2022, Ms M brought her complaint to this service. She said that she assumed Fidelity had placed a hold on her account.

Thereafter on 31 March 2022, Fidelity confirmed it had treated Ms M's concerns as a complaint and issued a written outcome to her. It said it hadn't placed a hold on her account

to date – but it remained the case that it required identification and verification steps to be passed. This was a process it had to undertake after migration of her investment from L&G. Fidelity reiterated that it had a duty to ensure that it held the right details for its customers.

Ms M then undertook a further call with Fidelity on 4 April 2022. She said that having spoken with the Financial Ombudsman Service, she remained of the view that Fidelity had acted in a deceptive manner. She felt it was unfair that she could not speak with the same complaint handler. Ms M also said she was unhappy that further letters regarding the verification process and the hold on her account were issued to her in February – after she had complained. She did not want to provide identification documents. Instead, Ms M wanted Fidelity to release her funds without further delay and at the same time, provide her with a financial goodwill gesture.

Fidelity issued a second complaint outcome letter on 4 May 2022 – following Ms M's further telephone call. It rejected the second complaint, noting:

- it had not made any errors and it could not pay Ms M compensation or any goodwill gesture;
- all financial businesses will need to verify the identity of their customers and approaches to this may differ between businesses;
- nevertheless, all customers moved to Fidelity from L&G had to undergo the same security checks;
- it had tried to carry out the checks electronically in the first instance, but that was not possible;
- therefore it was required to write to Ms M about the necessary information needed for verification, based on documentary evidence of her name and address;
- it was sorry Ms M felt upset and inconvenienced by the request, but it was made purely in the interest of satisfying its required legal and regulatory obligations;
- it was necessary to place a hold on the account in the absence of the required evidence – and that hold would be lifted as soon as verification was completed;
- the specific case handler Ms M had referred to could not call her, as she did not work in a customer services role.

At Ms M's request, the complaint at this service was closed for some months while she underwent medical care.

An investigator from this service reviewed the complaint once the complaint was reopened. She did not believe it should succeed. She said she was mindful of the relevant regulations in respect of money laundering, which required due diligence on Fidelity's part to ensure it had rightly ascertained the identity of its customers. She felt Fidelity's requests had been in line with statutory requirements and its decision to place the hold on Ms M's account was reasonable.

In respect of Ms M's particular needs, she believed Fidelity had also behaved fairly. She noted how during a call with Ms M on 1 October 2021, Fidelity had talked to Ms M about any adjustments she may require in relation to her visual difficulties. Ms M had confirmed she did not use computer screens or online facilities, but she was able to read letters and physical documentation without adjustments for size or Braille.

The investigator understood that it must have been frustrating for Fidelity to continue to reference online resources within its letters to Ms M. However, the letters also gave postal and telephone alternatives – and Ms M had called Fidelity on a number of occasions. In summary, she felt Fidelity had fairly accommodated Ms M's needs as a vulnerable customer.

Thereafter, Ms M made a subject access request to our investigator, and was accordingly issued all of the information we hold on file relating to the complaint. She also asked for her complaint to be addressed by a different investigator going forwards, as she felt that the existing investigator had acted in a discriminatory manner. One of the ombudsmen from this service wrote to Ms M separately, as her concerns were treated as a service complaint.

Ms M also asked that the complaint was referred for a decision. In response to the service issues, she sent us a very detailed 25-page letter. I thank Ms M for taking the time to do so, and note that I have read that letter. I shan't be repeating it here in its entirety, as my relaying of the history of this complaint is intended to be a synopsis of the background.

I also will not set out any of the aspects of the letter relating to our service – as that is not the subject of my decision. I note that a large proportion of the letter relates to service concerns with our investigator and issues regarding Ms M's subject access request.

In relation to this complaint against Fidelity, Ms M said in summary:

- she has been dealing with Fidelity against a background of extreme ill health and severe eye issues – which have now escalated;
- she is awaiting surgical intervention;
- she is at a disadvantage being unable to use any computer and instead relying on handwritten letters, which are also difficult and costly to send;
- she should be given the time and opportunity to listen to the calls that our investigator has, and therefore have time extended to reply;
- she disputes how this service can have a true flavour of the communications between herself and Fidelity when not all call notes have been provided;
- Fidelity failed to arrange to assign any person to periodically review Ms M's disability requirements by letter or telephone;
- she has restricted times at which she can address her personal affairs;
- Fidelity's call notes do not reflect how long she was kept on hold;
- it failed to send her all relevant documents – for example, she had to ask our investigator to forward on the letter of 31 March 2022;
- she confirmed in her call to Fidelity of 4 April 2022 that she considered it deceptive and she no longer wished for it to handle her financial affairs;
- she questions how Fidelity can continue operating her investment, contrary to her wishes;
- on that basis, it ought to freeze her account and cease any ongoing management charges;
- in her view, Fidelity should have ceased all actions with her ISA immediately;
- she doesn't feel Fidelity has the right to ask for confidential documentation in the way it has;
- it also should have regard for the legislation relating to disabilities.

Fidelity said it had nothing further to add and awaited the outcome of review by an ombudsman.

### **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 review by an ombudsman. I can see that this process has been deeply upsetting for Ms M. I appreciate she has taken time and care to explain the nature of her difficulties and the impact that the

issues with Fidelity have had on her – and I do not underestimate them.

I do not intend to make matters worse for Ms M, but I am not going to uphold this complaint or make any award against Fidelity. I cannot uphold a complaint merely because of empathy for a complainant's position; and for the reasons I'll go on to explain, I do not find Fidelity's actions to be unfair or unreasonable.

I've included a detailed chronology of the complaint in the 'what happened' section of this decision. However, I won't be addressing every individual submission Ms M has made or giving my view on each incident within the extensive background. I have done so merely to assist Ms M and to recognise the depth of her ongoing concerns.

We are not a court; and though there are rules I may rely on in respect of complaint handling procedures, I am not required to comment on each point or make specific determinations on every submission put forward by the parties.

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.

The crux of Ms M's complaint is based on her objection to verification. She feels that it is an unnecessary step taken by Fidelity when L&G would already hold evidence of her identity.

It's important for me to point out that we do not act in the capacity of a regulator. That means our decisions don't ordinarily interfere in how a business may conduct its operations or exercise what may be commercial judgment on the provision of a particular service. That remit falls to the Financial Conduct Authority ('FCA').

Whilst Ms M is entitled to form her own view on the reasonableness of Fidelity's administration of her ISA (including its verification processes for migrated investments), I must also do the same. And from an objective standpoint, I do not consider that this process has been unfairly handled.

It is a decision for Fidelity as to how it undertakes compliance with relevant legislation, such as customer identification rules. And Fidelity has told Ms M how specific Money Laundering Regulations required it to establish the identity of migrated L&G investment ISA customers in these particular circumstances.

That Ms M feels uncomfortable with providing documentation does not mean the process ought to be disapplied; Fidelity is reasonably entitled to undertake appropriate identity verification steps, and I have seen no evidence that it applied these inconsistently. Contrastingly, Ms M was treated equitably - she was notified in the same way as other customers in the same circumstances following migration that identity verification was a necessary requirement, since she was a new Fidelity customer.

Fidelity gave Ms M clear information and reasons as to why it needed her to supply evidence of her identity and the consequences of not doing so on several timely occasions; I therefore cannot agree that placing a hold on the investment was an unfair step to take. If Ms M decides that she did not agree with Fidelity's processes, she is free to withdraw the funds. But again, that would require evidence of identity - this is necessary for Fidelity to ensure it is paying the investment proceeds to the correct customer.

I have also given careful consideration to Ms M's concerns as a vulnerable customer. In assessing what is fair and reasonable, I'll take into account relevant law, regulations, rules,

guidance, and standards. So I am mindful of the many points Ms M has put forward in respect of the FCA requirements on businesses, contained within its code on vulnerable consumers as well as wider legislation on disability discrimination. However, I do not consider Fidelity to have acted contrary to any of standards or legal requirements since it migrated her ISA from L&G.

I recognise that the FCA defines a vulnerable consumer as *‘someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care’*. But, I haven’t seen any evidence to suggest that Fidelity failed in its appropriate level of care towards Ms M which would disadvantage her on the grounds of a particular vulnerability.

Contrastingly, the evidence shows that Fidelity undertook an assessment of Ms M’s needs and requirements upon learning of her difficulties on 1 October 2021. Until that time, it had not received any evidence of Ms M having vulnerabilities from L&G. Thereafter, Fidelity escalated Ms M’s requirements to a manager, recorded them on file as required to assist Ms M in the future, and asked a number of questions of Ms M to ascertain how it could communicate with her. Ms M told Fidelity she could process paper documentation, without the need for adjustments or aids, such as Braille. She was, and is unable to, use electronic means of communication.

On that basis, Fidelity wrote to Ms M using postal correspondence. Whilst the letters it issued were of a standard nature (in that they were sent to all customers with outstanding verification as required following the migration), on each occasion Ms M was offered the chance to undertake actions by post or to call Fidelity for help – which she went on to do.

What Ms M decides (or has decided) to do with her ISA going forwards is a matter for her. Nonetheless, in the context of the complaint before me, I cannot agree that Fidelity has done anything wrong in how it has made requests of Ms M in order to satisfy its customer identification requirements or in the nature of its service to her, as a vulnerable consumer.

### **My final decision**

I know my final decision will be disappointing for Ms M. But for the reasons set out above, I am unable to uphold her complaint or make any compensatory award. Under the rules of the Financial Ombudsman Service, I’m required to ask Ms M to accept or reject my decision before 11 December 2023.

Jo Storey  
**Ombudsman**