

The complaint

Mr K complains about Skipton Financial Services Ltd. He doesn't think they've managed his Monitored Informed Investment (MII) portfolio correctly which has caused him unnecessary losses.

What happened

Mr K received investment advice from Skipton in 2012. They recommended that he invest £25,000 in their MII service as they thought this had the potential to meet his objectives of taking an income and achieving long term growth.

Mr K complained to Skipton in 2022 and said that he was unhappy with the performance of the investment. He'd initially invested for growth and income, but he'd had to stop the income payments in 2017 as the investment wasn't performing well and he wanted to leave the funds to grow. But since that time, the value of the investments had continued to go down. He was also unhappy that a fund switch in 2020 had made the investment too heavily weighted in equities.

Skipton investigated the concerns that he'd raised but didn't uphold the complaint. They didn't think the recommendation was unsuitable nor had they provided any guarantees around the performance of the investment. They thought they'd highlighted the risks of the investment to Mr K and noted that they'd offered to review his investments in 2020 and 2022 but he'd declined to do so.

Mr K didn't accept their findings and asked for our help. Skipton didn't consent to us looking into the suitability of the advice that they'd given Mr K as they thought this element of his complaint had been made too late. One of investigators considered the complaint and agreed that this part of the complaint had been made too late. But he did think that we were able to consider the performance of the investment since 2016 and the fund switch in 2020.

The investigator looked into these complaint points but didn't think they should be upheld. He noted that Mr K hadn't lost money on the investment and thought that Skipton had managed it in line with what they'd told Mr K. He also thought the equity content of the investment following the fund switch in 2020 wasn't unsuitable for Mr K's stated risk profile and objectives.

Mr K didn't agree and asked for an Ombudsman to review the complaint and make a decision.

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 don't think this complaint should be upheld and I will go on to explain why. As there's been no objections from either party to the investigator's opinion about which elements of the complaint have been made too late, I will only be looking at the complaint

points about the management of the investment since 2016 and fund switch in 2020.

I've firstly considered if Skipton have managed the investment in line with what they told Mr K. The documentation he was provided with said Skipton would constantly monitor the performance of the MII core funds and regularly meet with fund managers in order to understand their ongoing strategy. They would also assess the performance of each core fund against the rest of its sector, to determine whether the returns it has delivered are above or below average.

They would keep investors updated on how their investments are performing every three months and offer the opportunity to change the core fund for an alternative core fund if it did not meet expectations. If one of the funds delivered below average returns against its peers over four consecutive quarters, they would reimburse the ongoing charge until the fund's performance improved or they offered a fund switch.

From what I've seen Mr K was sent quarterly reports, so I can't say he wasn't made aware of the performance of the funds he held. During the term of the investment, Skipton assessed the performance of the underlying funds and a number of fund switches were offered to Mr K, which he accepted in 2016 and 2020. He was offered reviews in 2019, 2020 and 2021 but he declined to meet with Skipton.

Given what I've seen, on balance, I don't think I can fairly say that Skipton haven't provided Mr K with the level of service they promised him or haven't managed his portfolio in line with what they told him. Therefore, I don't uphold this aspect of Mr K's complaint.

I've then gone on to consider the fund switch in 2020. Mr K's portfolio was switched from the Premier Miton Cautious Monthly Income fund and BMO MM Navigator Distribution fund to the Fidelity Multi Asset Income fund. The Fidelity fund had a lower equity content compared to the funds it replaced and was classified as medium-low risk fund which was in line with Mr K's recorded ATR from 2012. Having considered the available evidence, I don't think it was an unsuitable switch and didn't expose Mr K to an unsuitable level of equity content, so I don't think Skipton have acted inappropriately here.

In summary, and while I appreciate this will come as a disappointment to Mr K, I don't think Skipton have treated Mr K unfairly. I think they've administered the portfolio in line with what they told Mr K at the outset and the fund switch in 2020 wasn't unsuitable for Mr K's circumstances. Therefore, I won't be asking them to do anything to resolve Mr K's complaint.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 2 January 2024.

Marc Purnell
Ombudsman