

The complaint

Mr M has complained about Family Assurance Friendly Society Limited (trading as "OneFamily")

Mr M has been represented by his father throughout, and he has provided submissions to support his son's complaint. I have referred to Mr M's father as his representative.

What happened

Mr M was the beneficiary of a child trust fund (CTF). He held this fund with OneFamily. The fund matured on 3 December 2021.

Mr M said no information was provided to him or his parents prior to maturity of the fund. He said no information was received on the value, options, or the process of transferring the funds. Mr M said he phoned OneFamily in February 2022 and was given incorrect advice. He said he was told he could keep the funds in an ISA with OneFamily invested in a tracker fund or he could withdraw the funds to cash. He said this was incorrect as he would lose the tax-free status of the funds if he withdrew it. He said OneFamily didn't advise that he could transfer the funds to another ISA provider.

Mr M said he wanted to transfer the funds to another party, an equity ISA provider but he was given incorrect advice about this. He said he was given a valuation on 6 February 2022 by OneFamily, and this was around £24,117. He said he would eventually find out that he could transfer the funds to another provider, after he discussed this with the third party. He said he eventually transferred the funds to the third party on 22 September 2022.

Mr M said he would have transferred the funds a lot sooner if OneFamily have provided the correct advice back in February 2022. He said the amount transferred came to around £23055. He said he would like OneFamily to pay the difference to him between the valuation in February 2022 and the realised amount that was transferred. This, he said, is because OneFamily gave him incorrect advice, and this made him investment losses.

OneFamily said in response that it would have sent information out to Mr M two to three months before maturity. It said its website also holds information about maturity. OneFamily said it had reviewed the phone call from February 2022 between the parties and said it is sorry that its adviser gave incorrect information. It said they advised he couldn't transfer the funds to another ISA, and this was incorrect.

OneFamily said it is grateful Mr M didn't act on the advice given and instead sought advice from a third party. It said it processed the transfer forms from the third party on 21 September 2022 and a cheque cleared with it on 12 October 2022. It said government guidelines state a transfer of this nature should take no more than 30 days and this deadline was met.

OneFamily offered £200 compensation as a gesture of goodwill for providing incorrect advice on the telephone.

Mr M was not happy with OneFamily's response and referred his complaint to our service.

An investigator looked into Mr M's complaint. She said she felt OneFamily's offer of compensation was fair in the circumstances. She said she could see that OneFamily had recognised the errors it had made and was prepared to pay some compensation for this. She didn't think the losses Mr M had stated were to do with these errors but were to do with the fall in market value of his invested funds. She said OneFamily had acted within the terms and conditions associated with the account that Mr M held. She didn't think it needed to do anymore.

Mr M is not in agreement with the investigator's view. So as this is the case his complaint has been passed to me, an ombudsman, to look into.

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 have read submissions by Mr M's representative and in doing so I think it is worth explaining from the outset about the role of The Financial Ombudsman Service as an informal dispute resolution service. Mr M's representative said as the policeman for the public with the FCA, I should be stepping back and looking at what he described as systematic failings from OneFamily. I understand what Mr M's representative is saying, but that is not my role. As an ombudsman, I make decisions on the balance of probabilities, and as an impartial decision maker I look to make findings that are fair and reasonable in the circumstances of Mr M's complaint. My role does not involve applying any regulatory or disciplinary powers and it is not in my remit to tell a business how it should or shouldn't operate.

I've looked at the complaint afresh and I've independently reached the same conclusions as our investigator. I will explain why:

- Mr M said he didn't receive any information from OneFamily about the maturity of the child trust fund. OneFamily on the other hand said they would have sent the information two to three months before maturity and that documentation was also on their website. I have not seen enough evidence to show that OneFamily didn't send information about the maturity of the child trust fund as it says it normally would do. It maybe the case that the information went astray when it was sent to Mr M, but I don't think I could hold OneFamily responsible for this, if this happened.
- In February 2022, Mr M called OneFamily to discuss his options. OneFamily has reviewed this call and said it made mistakes in the advice it provided to him. It said it gave the wrong advice and said he had two choices: either keep the money invested within a tracker fund in its ISA or withdraw the money to cash. Mr M's representative said at that time that this couldn't be right as Mr M would lose the tax efficient nature of the funds.
- Mr M said he wanted to, at that time, move his funds to an equity ISA with a third party. On balance, I think if he had acted on OneFamily's incorrect advice he would have withdrawn the money from the account, as it had suggested, and then transferred the money to the third party. But Mr M didn't act on OneFamily's incorrect advice.
- Mr M has then said through his representative, that he had a busy time with his education and had to prioritise that. It wasn't then until September 2022 that Mr M

discussed a transfer with a third party. The third party then put in transfer forms, and I can see from this point that OneFamily on receipt of these, carried out the transfer within a reasonable timeframe.

- When I look at what has happened here, on balance, I have not seen enough evidence to safely conclude that Mr M would have arranged a transfer sooner than he did if he had been given the correct advice by OneFamily. I think if Mr M was looking to make the transfer earlier he would've either contacted the third party sooner, discussed things further with OneFamily or acted on its incorrect advice. Instead, I think other priorities took over for Mr M and it wasn't until September 2022 that he was able to look into his options again, and then request the transfer. So, I don't uphold his complaint here for the reasons I have just given.
- OneFamily offered £200 compensation as a gesture of goodwill for providing incorrect advice on the telephone to Mr M. I think this is a fair and reasonable amount in the circumstances of Mr M's complaint.

I appreciate that my decision will be disappointing for Mr M and his representative, and I acknowledge the strength of his feelings in the submissions provided. But based on everything I have read and the findings I have given, I don't uphold his complaint about the investment losses he said he has incurred. I do think OneFamily's offer of compensation is fair and reasonable.

My final decision

Family Assurance Friendly Society Limited has already made an offer to Mr M to pay £200 to settle the complaint. I think its offer is fair and reasonable.

So, my decision is that Family Assurance Friendly Society Limited should pay £200 in total if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 January 2024.

Mark Richardson
Ombudsman