

The complaint

Miss H has complained about Scottish Widows Unit Trust Managers Limited. She said it has taken it nearly three months to transfer all her funds held with it, to a third party. She said because of Scottish Widows mistakes she has made investment losses.

Miss H has requested Scottish Widows pay her compensation for her investment losses along with a payment for the distress and inconvenience that she said it caused.

What happened

Miss H held funds within a stocks and shares ISA along with shares in open-ended investment companies (OEIC) with Scottish Widows. She said she decided to transfer all her funds from Scottish Widows to a third party in July 2022.

Miss H said on 5 July 2022 she met with a third party and asked if it could arrange the transfer. She requested all the funds be moved to one of its cash isa accounts. A couple of days later she met with it again and a representative told her that they were unable to complete the transfer on their system.

The third party then said it would complete a transfer form instead and on it wrote the value of the total funds held by Miss H with Scottish Widows on that day, to be transferred. This amount was around £142,695. Miss H said at a much later date on 7 October 2022 she found out the transfer of a proportion of those funds hadn't happened and so she made a complaint to Scottish Widows. She said she spoke to a representative from Scottish Widows who informed her that it had been sent the wrong transfer form by the third party.

Miss H said only part of her funds had been transferred in July 2022, these being from her ISA account. She went back to the third party to resolve moving the remaining funds. She said on 10 October, the remaining funds were transferred over but by this stage the value of her funds had gone down further. She said she had incurred investment losses.

Miss H said Scottish Widows did nothing to chase up the transfer or resolve it when it saw it had the wrong form. She said she authorised a transfer in July 2022 of around £142,695 and instead almost three months later she received £131,684. She said because of Scottish Widows mistakes she made investment losses and it had caused her stress and worry too. She made a complaint to Scottish Widows about all this.

Scottish Widows said in response that it didn't agree that it did not process the transfer correctly. It said it received a request for an ISA transfer in July 2022 but only received an official request for a transfer of the OEIC funds in October 2022. It said it could have contacted Miss H to get an understanding of what it was she wanted to do with the OEIC funds. It said it didn't so for that it offered £100 compensation for what it says was for providing a service that was lower than its standards. But it said it was not responsible for the delay of the transfer of all Miss H's funds to a third party and the process it followed at the time was the correct one.

Miss H was not happy with Scottish Widows' response and referred her complaint to our service.

An investigator looked into Miss H's complaint. She concluded Scottish Widows didn't need to do anything further. She said she didn't think it unreasonable to think the third party or Miss H could have raised an issue with Scottish Widows had they any concerns about the transfer. She said the loss in value of Miss H's investment was to do with market movement and not as a result of an error by Scottish Widows.

Miss H is not in agreement with the investigator's view. So as this is the case her 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 am not upholding Miss H's complaint, and these are the reasons why:

- Miss H met with a third party on 7 July 2022. The aim of the meeting was for Miss H to arrange a transfer of all her funds from Scottish Widows to the third party. She wanted to transfer all the funds from her stocks and shares ISA and OEIC investments to a cash ISA.
- The representative from the third party couldn't make the transfer happen electronically. So, they completed an ISA transfer form manually and sent it to Scottish Widows. The amount to be transferred was stipulated by the representative on the form as around £142,695. This figure was the total amount of all the investments held by Miss H with Scottish Widows at that time.
- I have been able to see a copy of the transfer form. It is a third-party form and is specifically for the transfer of funds from one ISA account to another. When Scottish Widows received this form, it would have seen that the total balance of funds that the third party were looking to transfer across didn't tally with what Miss H held in her ISA account.
- On 27 July 2022 Scottish Widows sent an email to the third party to clarify what it was that it wanted to do. It said "The value stated on the form is £142,694. But we hold £38,474. Can you please confirm if you are able to accept this transfer?". The third party accepted this; the total amount of funds held by Miss H in her ISA account.
- Scottish Widows said it wasn't able to transfer all funds that Miss H held. This is because it had received an instruction on a form to transfer Miss H's ISA. It said it required a separate instruction from Miss H about her OEIC investments. It said it sent out contract notes and informed both parties that the ISA had been transferred. It said, it wasn't then until October 2022 that it received an instruction from Miss H about the OEIC investments.
- On balance, I don't think I can fairly say that Scottish Widows is responsible for the delay in Miss H being able to transfer all funds from it to a third party. This is because Scottish Widows didn't receive an instruction from Miss H about her OEIC investments until she contacted it in October 2022. And when it did, it carried out her instructions in quick time. It wouldn't have been until either Miss H, or the third party

had contacted it in October 2022, that it would have been given a clear instruction about what to do with the remaining OEIC funds.

- The form sent in by the third party had all of Miss H's funds written down, so as far as the third party was concerned it was putting in a request to transfer all of Miss H's funds, as was her instruction. But Scottish Widows were not aware of this and had received the instruction on an ISA transfer form. So, I can see why Scottish Widows would send an email asking for acceptance from the third party to transfer the ISA funds only, seen as the instruction it had been given was on an ISA transfer form.
- The OEIC holdings are a different type of investment that work differently to an ISA. Miss H wouldn't have been able to transfer the funds raised from these investments into a different provider's cash ISA account, in the same way Miss H's existing ISA funds were transferred. Scottish Widows needed separate instructions for them.
- Miss H said Scottish Widows should have contacted her sooner and arranged for the transfer of the remaining funds, when it could see on the form that she wanted to transfer all funds from her account. But I'm not satisfied, considering the instruction was on an ISA transfer form, that it would have been made clear to Scottish Widows what Miss H would have wanted to do with her OEIC investments. At least not enough, that not contacting Miss H meant that Scottish Widows were responsible for the delay here.
- Scottish Widows has paid Miss H £100 for distress and inconvenience as it says it would have been good service if it had contacted her when it received the erroneous transfer form from the third party, to ask her what to do about the OEIC investments. I can see that it has already paid this. For the reasons I have already given, I don't think it needs to do anymore.
- In conclusion, after considering all that has been submitted by both parties, I don't think Scottish Widows is responsible for any delay here with regards to the transfer of OEIC funds or what Miss H has described as her investment losses.

I appreciate that my decision will be disappointing for Miss H, and I acknowledge the strength of her feelings in the submissions provided. But based on everything I have read and the findings I have given, I don't uphold her complaint.

My final decision

My final decision is that I do not uphold Miss H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 22 December 2023.

Mark Richardson
Ombudsman