

The complaint

H and Mr H complain about a delay by Financial Administration Services Limited (“FASL”) in completing the sale of a holding of shares.

What happened

Mr H contacted FASL in October 2021 to instruct the sale of some shares held in a Self-Invested Personal Pension (SIPP). It became apparent that the trustees of the SIPP had changed, so to action the request FASL required several documents to be provided by the new trustees (H). FASL asked that Mr H request the documents from H.

Most of the documents were received by FASL in January 2022 but a stock transfer form and pension trust application form were missing. A further request was sent to H and the additional documents were received in March 2022. FASL needed to carry out some further verification checks on H and the sale was eventually instructed and settled in April 2022.

Mr H made a complaint about the ongoing delay during the process, in early March 2022. FASL issued a final response, which Mr H received in May 2022, briefly explaining what had happened but not upholding the complaint.

Mr H referred the matter to this service, seeking compensation for the loss incurred as result of the share price falling between October 2021 and April 2022.

Our investigator also didn't think the complaint should be upheld. She was satisfied the delay in selling the shares was mainly due to FASL not initially receiving all the documents requested from H, so it was unable to proceed with the sale. She felt that once all the documents had been received, FASL had acted within reasonable timescales.

Mr H didn't accept the investigator's view. He felt that FASL had not provided a reasonable level of service and that it had owed a duty of care to him from the point at which he first instructed it in October 2021.

He said it had blocked communication with him, not issued a client reference number as promised at the outset and generally failed to take ownership of the matter. It had unnecessarily lengthened the process by issuing a cheque for payment and further, its response to his complaint has been confusing with letters issued to him in the wrong date order.

The investigator wasn't persuaded to change her opinion, so the matter was referred to me to review.

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've come to the same conclusion as the investigator. I don't think the complaint should be upheld.

Firstly, it seems clear that the majority of the delay was a result of H not sending documents to FASL until 25 January 2022, more than three months after it had written to Mr H in October 2021 explaining what was required from H, the new trustees. There was no indication given in H's covering letter of 25 January 2022 that it had made any earlier attempt to provide the documents.

And when the documents were sent, they didn't include a couple of forms that had been among those requested in the October 2021 letter. FASL requested these on 7 February 2022, but they weren't then received from the trustees until 15 March 2022 following further communication from Mr H. There then followed a period where address documents were provided for verification purposes and then the sale proceeded.

In all the circumstances, I can't see that FASL can reasonably be held responsible for the time it took for the sale to complete. It couldn't act until all the administration associated with amending its records in respect of H had completed. On each occasion during the process when it required further information or documentation, it acted reasonably promptly.

I note Mr H's concerns about the delay in receipt of his customer reference number. But that doesn't appear to have impacted the sales process in any way. Similarly, the issue with the dates on FASL's letters sent in response to his complaint, whilst confusing, would've had no bearing on the sale itself. And I've not seen that FASL acted incorrectly, outside its normal procedures, in paying the sale proceeds by cheque.

In respect of a 'stop' on sending correspondence to Mr H, the stop had actually been applied to the primary account holder – the previous pension trustee that had been dissolved. The inability to contact the dissolved party was why FASL had needed to write to Mr H, as the secondary account holder, to instruct him to contact H and arrange the relevant documents be supplied.

In summary, I can appreciate this would've been a frustrating process for Mr H. But with the involvement of H and particularly given the additional administration required as a result of the previous trustees' dissolution, it was always likely to be a more complicated and lengthy process than a normal share sale.

Having carefully considered all the evidence and the chronology of events, I'm satisfied FASL carried out its role in the process reasonably and therefore don't find it responsible for any loss that may have occurred.

My final decision

For the reasons given, my final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask H and Mr H to accept or reject my decision before 10 November 2023.

James Harris
Ombudsman