

The complaint

Mr M complains about abrdn Investments Limited's (aIL) notification that it would be closing two Investment Trust savings plans he opened for his granddaughters. He's unhappy the instruction about the closure came at a time when the plans were worth less than the initial investment and the alternative options all came with additional yearly management costs.

What happened

In 2022, Mr M opened two investments (called Investment Plans for Children) for his granddaughters, the proceeds of which were to be paid to them when they reached 18.

On 30 June 2023, aIL issued a mailing to all investors in its Investment Trust Savings Plans (including those invested in the Investment Plan for Children) which advised of its intention to close this service at the end of 2023.

Mr M was given three options – they were:

1. Consent to a transfer to Interactive Investor (a provider that was part of the same group as aIL)
2. Transfer to a new provider
3. Sell the investments

In early July 2023 Mr M raised a complaint about this. He felt aIL was removing investment opportunities that were previously available to him and expressed dissatisfaction with the charges he would incur when moving the investments.

aIL responded to the complaint but didn't uphold it and maintained that it had provided a number of options to support Mr M going forward. It again set out the options available to Mr M and the associated fees and charges. It explained that it was able to make an in-specie transfer to a new provider and this would not incur any costs from aIL.

Mr M didn't agree with the response, so referred his complaint to this service for an independent review.

One of our investigators looked into the complaint. He didn't think it should be upheld. In summary he said:

- aIL are not closing Mr M's investments, they remain invested in the same funds they were previously – but they are removing the plans they were held in. So, the investments would still have the opportunity to recover any early losses.
- aIL is entitled to set its own terms and conditions, and charging structure. And ultimately it can decide if they wish to change its business model, which would apply to all their customers, and this is not something our service can interfere in.
- When Mr M opened the investments, he would have been asked to agree to aIL's terms and conditions, which stated it could make changes to the investments or cease to act as it's manager at any time. This is what aIL decided to do and it gave Mr M nearly six months' notice of the changes to the investment. It also gave him a

number of options of how he could proceed, including the option to transfer the same investments (in-specie) without a fee to another provider.

Mr M didn't accept the investigator's assessment, and requested his complaint be escalated to an ombudsman for a decision. In summary he said his contention remains that aLL acted in an unethical manner in closing one aspect of its investment sector where investments once made would be managed at no extra external cost to transferring that business to one where an external cost would be levied on an ongoing basis. He sees this as a negative for grandparents wishing to invest for their grandchildren, if not on a monetary basis but also on a health basis.

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.

Firstly, I'd like to acknowledge that the changes aLL has introduced has caused Mr M upset and frustration. I understand from his submissions why he is disappointed with the changes – and the impact this has had on the investments he made. I also appreciate this wasn't something he expected when he made the decision to set up the plans for his granddaughters.

But in order to uphold the complaint, I need to be persuaded that aLL had acted in a way that treated Mr M unfairly. Despite Mr M's clear reservations about the changes, I haven't found he has been treated unfairly. I'll explain why.

I've reviewed the terms and conditions relevant to Mr M's investments. These cover the scenario where aLL may decide to end an Investment Trust's participation in a plan. It states it will notify investors in writing and give the opportunity to change the affected investments.

So I've considered this in light of the circumstances surrounding Mr M's investments. I can see that he was given around six months' notice of the closure and four months to select one of the options given. So I'm satisfied reasonable notice was given to him.

As mentioned, aLL did also provide several options for Mr M to consider. I appreciate he is unhappy that some of the options would result in him paying fees or ongoing charges that he didn't currently pay. But there was a fee-free option, an in-specie transfer to another provider. This would allow the investments to remain within the original funds and give the potential for recovery from the losses experienced in the initial years. So again, I'm satisfied that Mr M was being treated fairly as there were a number of options provided that would allow him to continue with his investments, and not all of them resulted in aLL causing him additional fees and charges.

I acknowledge that Mr M feels aLL acted in an unethical manner because a new cost would be levied on an ongoing basis, and this would impact him financially. But for the reasons I've given, I think it has applied the terms fairly in the circumstances. So, while Mr M remains unhappy with the action taken by aLL, I haven't found he has been treated unfairly. I am also sorry to hear his health has suffered as a result of the situation, but as I haven't seen evidence of failings by aLL, I don't think it needs to do anything further.

If Mr M has concerns about how the plans were sold to him originally, this would need to be raised separately. I haven't considered the sale as part of my consideration of this complaint.

In conclusion, despite Mr M's unhappiness with the changes introduced with his investments, I haven't found he has been treated unfairly by aLL.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 May 2024.

Daniel Little
Ombudsman