

The complaint

Mr and Mrs C and Trustee complain about the service provided by Skipton Building Society, referred to as “Skipton” or “the business”.

In short, they say Skipton ignored their instructions to sell the investments.

What happened

In August 2022, Mr and Mrs C contacted Skipton with a request to fully surrender their investments, but they’re unhappy that this didn’t happen.

They’re also unhappy that Skipton want to charge a fee (of around £2,000) to surrender investments that weren’t held within their Monitored Informed Investing (MII) portfolio service.

One of our investigators considered the complaint but didn’t think it should be upheld. In summary, she said:

- Skipton has an MII service which provides ongoing investment monitoring and advice for a fee. Some of Mr and Mrs C’s investments are included in this service, so it won’t charge a fee for any advice when surrendering them. However, advice when surrendering investments not in the MII service will be subject to a charge.
- In August 2022 Mr and Mrs C spoke to Skipton to explain that they’d decided to close their investments and wanted advice on how to do this, and if there’d be any tax implications. Skipton made it clear that there’d be a fee for the non-MII investments, and the cost would be £2,090.00 where a trust is involved. Mr and Mrs C then decided that they’d surrender the non-MII investments without advice.
- An advice meeting was set up, but it didn’t go ahead. Skipton emailed Mr and Mrs C suggesting that it would provide advice around surrendering the MII investments once they’d surrendered their non-MII investments.
- Skipton later sent the documents that Mr and Mrs C needed to close their accounts on a no-advised basis.
- She’s seen no evidence that Skipton received an update on the non-MII investments, or instructions to proceed with advice to surrender the MII investments, so no action could be taken.

Mr and Mrs C disagreed with the investigator’s view and asked for an ombudsman’s decision. In summary, Mr C make the following key points:

- They weren’t seeking advice, they just wanted information – mainly procedural about how they surrender the investments and confirmation that the Capital Gains Tax (CGT) calculations that Mr C had already done were correct.
- The fee that Skipton wanted was a non-starter. He’s already discussed the impact of the closure of MII would have on their Loan Trusts. Nothing further that was said by the adviser could be construed as advice.
- Despite what the investigator says, they didn’t need advice, just the investments sold

- as soon as possible. The adviser insisted on the meeting, not them.
- The adviser could've called – it was imperative in these circumstances that he did – but he didn't.
- The investigator has missed the thrust of their complaint, which is that Skipton failed to carry out their instructions to surrender all of their investments.

As no agreement has been reached the matter has been passed to me for 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 agree with the investigator's conclusion for much the same reasons. I'm not going to uphold this complaint.

On the face of the evidence, and on balance, despite what Mr and Mrs C say, I'm not persuaded that the business behaved unreasonably, such that this complaint should be upheld.

But before I explain further why this is the case, I think it's important for me to note I very much recognise Mr and Mrs C's strength of feeling about this matter. I'm also very sorry for the recent health challenges faced by Mrs C. I appreciate this must be a difficult time for them both.

Mr C has provided detailed submissions to support the complaint, which I've read and considered carefully. However, I hope they won't take the fact my findings focus on what I consider to be the central issues, and not in as much detail, as a discourtesy.

The purpose of my decision isn't to address every single point raised under a separate subject heading, it's not what I'm required to do in order to reach a decision in this case. In other words, I don't have to comment upon every single point made. My role is to consider the evidence presented by Mr and Mrs C and Skipton, and reach what I think is an independent, fair and reasonable decision based on the facts of the case. Despite what Mr C says, I don't need any further evidence to make my decision.

I don't uphold this complaint, in brief, for the following reasons:

- I don't think Skipton was wrong to say that it would charge a fee for any advice offered that wasn't covered by the MII services for which it was already justifiably charging a service.
- I appreciate Mr and Mrs C didn't want to pay any fees at all because they just wanted to surrender their investments – I'm aware that they wanted the money to help their son buy his first house.
- Based on what Skipton says, I don't think the process was that simple, given the possible tax implications. I'm mindful that Mr and Mrs C, in August 2022, decided – of their own volition - to close their investments and wanted advice on whether there'd be any tax implications. I note Mr C says that there's a difference between wanting advice and 'information' but I think the distinction in this setting is somewhat artificial.
- I'm aware Skipton quite rightly explained that it could provide advice, but there'd be a fee for the non-MII investments.
- In the circumstances, I don't think Mr and Mrs C could reasonably expect the business to offer this advice – in relation to the investments that weren't already covered by the existing arrangement – without a charge.

- I appreciate Mr C says, they just wanted to know about the procedure for encashing their investments, but as I said above, I don't think it was that simple, given the potential tax consequences. I'm aware Mr C says he'd done his own capital gains tax (CGT) calculations on the sale of the investments and was looking for confirmation that his calculations were correct. Even if this was the case, this involves advice on the part of the business that's unlikely to come for free and expecting it to be free I don't think is reasonable.
- In any case, a business is entitled to charge a fee for a service, as long as it has made the level of fees reasonably clear to the customers, which I believe it has here.
- I don't think Skipton suggesting that advice when surrendering investments – not in the MII service – will be subject to a charge, was wrong.
- It's possible Mr and Mrs C thought the amount was too high given that they were paying for advice already, and that all they wanted to do was to surrender. In other words, what they wanted wasn't advice. But this was the rate the business was charging for advice in relation to investments in trust, which is what Mr and Mrs C had. Skipton was entitled in the reasonable exercise of its legitimate commercial judgement to decide the level of fees, for services provided. It's not something that our service can get involved in.
- I appreciate Mr C says that the adviser wanted the (advice) meeting and not them. But even if this was the case, I don't think the adviser was wrong to insist on having a meeting in order to decide the best way forward. But if they absolutely didn't want any advice, they should've made this clear, as they did in relation to the non-MII investments.
- The above notwithstanding, on the face of the evidence, and on balance, I'm persuaded that Mr and Mrs C – armed with the information about fees – decided of their own volition to surrender the non-MII investments themselves without advice.
- I note that an advice meeting was set up, but it didn't go ahead through no fault of Skipton. But Skipton emailed Mr and Mrs C suggesting that it would provide advice once their non-MII investments had been encashed by them. I note Skipton even provided the necessary forms to enable them to do so on a non-execution basis. I note Mr C takes issues with when the forms were sent, but I can't safely say that this means the business behaved in such a way that the complaint should be upheld. In the circumstances I can't say that the business behaved unreasonably.
- On the face of the evidence, and on balance, I can't say that Skipton received an update on the non-MII investments – so that it could proceed to advise on the remaining investments within the MII – therefore, I'm unable to say that Skipton did anything wrong by not offering this advice of its own volition regarding the investments for which Mr and Mrs C were entitled to advice without having to pay an additional fee.
- In other words, in the circumstances, and on balance, I can't blame Skipton for not offering advice, before Mr and Mrs C had sold the non-MII investments, as it had made it clear that it would after they'd done so. So, it hasn't done anything wrong by not giving this advice.
- On balance, I can't safely say that Skipton failed to carry out Mr and Mrs C's instructions to sell all of their investments. Therefore, I can't say that Skipton is responsible for any losses they may have suffered, because it hasn't done anything wrong such that this complaint should be upheld.

I appreciate that Mr and Mrs C will be thoroughly unhappy that I've reached the same conclusion as the investigator. Furthermore, I realise my decision isn't what they want to hear. Whilst I appreciate their frustration, I can't safely say that Skipton behaved unreasonably.

In other words, on the face of the available evidence, and on balance, I can't uphold this complaint and give them what they want.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs C and trustee to accept or reject my decision before 22 December 2023.

Dara Islam
Ombudsman