

## **The complaint**

Ms R complains that Bank of Scotland plc trading as Halifax failed to alert her and advise when the value of her investments dropped dramatically. She is also annoyed that Halifax said she was recorded as being 'an experienced investor' when she says this isn't correct.

## **What happened**

Ms R holds investments – an Individual Savings Account ('ISA') and Collective Investment Plan ('CIP'), opened in 2008 when she and her late husband took advice from Halifax.

She complained to Halifax when she realised the extent to which her investments had lost value, mentioning a £37,000 loss over an 18 months' period and her particular concern that no-one had been keeping an eye on what was happening to her money.

Halifax did not uphold Ms R's complaint. It said that the investments had been suitable and not mis-sold in 2008. It suggested that the dramatic downturn in the investment markets during the early part of 2022, a deteriorating economic outlook, inflation and world events had all impacted on investment performance.

Ms R was unhappy with Halifax's response and brought her complaint to this service.

Our investigator thought that Halifax's investment advice had been suitable and was unable to find enough evidence to show that Halifax had agreed to provide ongoing advice to Ms R about her investments. So our investigator didn't uphold this complaint.

Ms R disagreed with our investigator's view. In summary, she says:

- she is concerned that the chief part of her complaint hasn't been understood, and her complaint isn't about suitability of the investment at the point of sale
- her complaint is about what happened later when the capital value of her investments was adversely impacted and Halifax failed to alert her to the fact that her capital was at risk or give her any advice about mitigating loss
- she feels let down because she understood that Halifax would actively monitor her investments and that a Financial Advisor would always be available to talk to and check on how investments were performing.

As the complaint has not been resolved, it comes to me for a decision.

## **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've carried out an independent review and having done so, I've reached the same conclusion as our investigator. I'll explain my approach and how I've reached my decision.

I do appreciate how strongly Ms R feels about this complaint and I can completely understand her anxiety about the fall in value of her investments. We provide an informal complaints handling service and this is reflected in the way I've approached her complaint. It's part of my role to identify and concentrate on the core issues I need to address in order to reach a fair outcome. This means I won't necessarily mention everything that Ms R has brought to my attention and I've expressed some of her concerns in my own words. But I will comment on everything that makes a difference to the outcome of the complaint.

Ms R has confirmed that she has no complaint about the suitability of the original advice to invest in the products she now holds, so I don't think I need to say more about the investment recommendations Halifax made in 2008.

It seems to me that the crux of Ms R's complaint, which is what I will concentrate on in my decision, is that Halifax should have:

- been monitoring what was happening to her investments and
- alerted her when the capital value of her investments started to fall and
- given her advice on how best to keep her money safe.

I have no reason at all to doubt that Ms R is certain about what she's told us about assurances made in 2008 when these investments were sold. But I must be impartial and fair to both parties.

It wouldn't be reasonable to expect Ms R to recall word for word discussions that took place so long ago, so what she says isn't enough on its own for me to be able to uphold her complaint.

I must base my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of all the available evidence and the wider circumstances. I must make reasonable assumptions where necessary. There's more information on our website which explains the Financial Ombudsman Service approach.

The product literature, which was made available to Ms R when she invested, explains that the Corporate Bond Fund that she is invested in would be managed by fund managers, and that Ms R would be charged a yearly management charge, paid for out of the income of the fund each month. But this just means that the fund managers were looking after the fund as a whole – it doesn't mean that Halifax had any obligation to continue to keep advising Ms R on an ongoing basis in relation to her investment in the CIP according to how the fund performed following the sale in 2008.

The point of sale documents all suggest it was a one-off advised sale in 2008. Halifax has also confirmed that there were no ongoing advice fees ever charged. There's no information provided to suggest that Ms R was ever signed up to an investment management service with Halifax. So, despite what Ms R says, I haven't seen enough overall to be able to fairly conclude that Halifax should have provided investment advice to her on an ongoing basis. It follows that I can't fairly uphold Ms R's complaint that Halifax let her down in this respect.

Ms R was entitled to expect Halifax to provide a service to her in line with the terms and conditions she had signed up to. This included receiving regular statements showing how her investments in the ISA and CIP were performing. This was an important part of the service Halifax offered as the product information from November 2008 clearly stated that:

*'Market and exchange rate movements may cause the value of investments to go down as well as up and you may get back less than you invested. Cash on deposit is secure, generally more accessible and provides greater certainty of growth.'*

And the Key Features and Plan Conditions, that was provided to Ms R in 2008 along with the financial report, states:

*'Risks that apply to the Corporate Bond Fund only*

- changes in interest rates and inflation could affect the value of the investments that make up the Corporate Bond Fund. For example, if interest rates increase, their value may fall - if interest rates fall, their value may increase.*
- The value of the income payable can go up and down and is not guaranteed.'*

Halifax said that regular statements were sent and it has provided copies to me. Ms R has mentioned that these statements were the only information provided to her. So I find that Halifax did provide Ms R with the information she should have received. The statements provided an annual snapshot of performance and also included additional information prompting Ms R to think about whether her investment still met her needs and if she wanted to make any changes.

A phone number and contact information was shown under the heading in bold lettering; **'We're here to help'**. So I think it's fair to say that Halifax provided enough information for Ms R to be able to follow up any queries or concerns she had about how her investments were doing.

Overall, I think Halifax did enough to make Ms R aware that the onus was on her to seek information and advice if she had concerns about whether her investments were still suitable for her current needs.

The point of sale paperwork records that in 2008 the main financial priority was income generation. Ms R was entitled to expect Halifax to pay her the income generated by her investment on a quarterly basis and there doesn't seem to be any complaint that didn't happen.

I appreciate that Ms R isn't happy that she was described by Halifax as having been an *'experienced investor'* in 2008, but as she isn't complaining about the suitability of the advice provided by Halifax in 2008, this doesn't affect the outcome of her complaint. And perhaps it might be helpful for me to mention here that describing her in this way simply reflects information in the financial report prepared by Halifax in 2008 that Ms R already held a shareholding - an equity based investment which she had actively purchased and had held for a number of years. Whilst I am sorry that Ms R found being described this way was upsetting, it isn't a sufficient reason for me to uphold her complaint as it's a broadly fair and reasonable way to reflect the fact that she wasn't a complete novice investor in 2008.

To sum up, I haven't seen enough to show that Halifax did anything wrong or that it acted unfairly or unreasonably towards Ms R. So I can't fairly uphold her complaint. I hope that setting things out as I've done helps Ms R to understand how I've reached my conclusions and even though this isn't the outcome she hoped for, she will at least feel that her complaint has been fully considered by the Financial Ombudsman Service.

**My final decision**

My decision is that, for the reasons I have set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 21 August 2023.

Susan Webb  
**Ombudsman**